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NEWS SUMMARY

GENERAL

IRA suspects break out of prison

Eight suspected IRA terrorists escaped from Belfast's Crumlin Road prison last night after overpowering guards escorting them through a tunnel from the nearby court.

Three of the remand prisoners produced guns and fired shots before forcing their way out of the main prison gate and running to waiting cars. Two prison warders were coshed.

The escapers are thought to be a group on trial for the murder of a policeman.

Forlani abandons coalition bid

Italy's political crisis deepend when Arnaldo Forlani, the outgoing premier, abandoned his efforts to form a Government because of unbridgable differences between would-be coalition partners.

Stern appeal

William Stern, whose property empire crashed in 1978 with debts of more than £104m, applied in London for a discharge of bankruptcy. Page 6

Ambulance strike

Glasgow ambulance staff walked out without advance warning in protest at a 6 per cent pay offer and refused to maintain emergency cover. Page 8

Plane missing

A single-engined Piper Commanche aircraft taking part in a transatlantic air race is missing. The plane has a two-man French crew.

Birthday row

Prince Philip's 60th birthday radio comment that the unemployed could not decide whether they wanted work or leisure was denounced by Labour MPs.

Witch hunt denied

Labour leader Michael Foot denied mounting a party witch-hunt but attacked Tony Benn for wanting votes on everything. Page 10

Scarman plea

Lord Scarman, answering calls for a boycott of his independent inquiry into the Brixton riots, said it would not be a white-wash but a search for the truth.

Bani-Sadr threat

Iranian President Bani-Sadr struggled to hold on to power after a loyal official, the governor of the Central Bank, resigned. Page 4

Times reprieve

The threat to the future of Times Newspapers receded when the Sogat print union agreed to abide by the disputes procedure. Page 8

Petrol rises

Shell, Esso, Mobil and other oil companies appear set to follow BP's lead and raise petrol prices by between 6p and 10p a gallon. Page 6

China warning

China voiced strong opposition to continued U.S. arms sales to Taiwan on the eve of Secretary of State Alexander Haig's Peking visit. Page 4

Star lot

A bra, handbag and white gloves which belonged to film star Marilyn Monroe were sold at Sotheby's to a Texan business-man for £520. Page 6

Briefly . . .

Bodies of 143 victims of the north Indian train disaster have so far been recovered.

Man died when he drove his car over 400 fsoot high cliffs near Bridlington, Humberside.

BUSINESS

Sterling up 3.1c; $9 rise for gold

● STERLING'S trade-weighted index rose to 95.0 (94.6). It finished up 3.1c at $1.9715, and rose to DM 4.6750 (DM 4.6625) and SwFr 4.1150 (SwFr 4.0975). Page 30

● DOLLAR'S trade-weighted index fell to 108.5 (109.5). It finished near its worst, at DM 2.3725 (DM 2.4020) and SwFr 2.0875 (SwFr 2.1110). It fell sharply to Y225.25 (Y228.10). Page 30

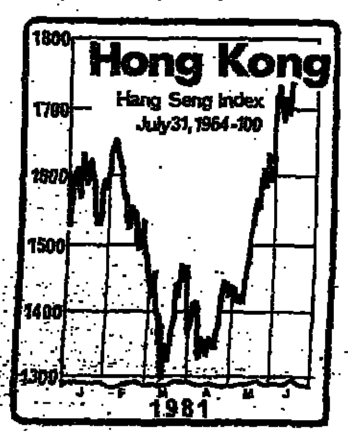
● GOLD rose $9 to $465.5. Page 30

● GILTS continued firm. The Government Securities index gained 0.38 to 66.19. Page 40

● EQUITIES were again subdued on continued BP fund-raising rumours. The FT 30-share index lost 3.3 to 542.3, its lowest for over two months. Page 40

● WALL STREET was up 0.92 to 995.36 near the close. Page 31

● HONG KONG: The Hang Seng index rose 16.18 to



1,734.25, an eight-year high. Page 31

● COFFEE'S heavy price falls will be discussed at an nlternational Coffee Organisation emergency meeting on Monday. Back Page

● NORWEGIAN Parliament approved North Sea oil and gas projects with a combined value of NKr 31bn (£2.7bn) in 1980 prices. Back Page

● FRENCH Government is to raise FFr 6.8bn (£613m) in supplementary taxes this year to finance spending on jobs, housing and industrial investment. Back Page

● COURTAULDS is to close its loss-making textile plant at Londonderry, Northern Ireland, with the loss of 630 jobs. Back Page; Details, Page 6

● FORD warned the Government that up to 50,000 jobs could be lost in the UK motor industry if Nissan of Japan were to start assembly in the UK without strict conditions on local component use. Page 8

● PORT OF LIVERPOOL will be at a standstill again as 3,500 dockers stage another 24-hour strike over pay.

● UK EXPORTS of services increased in the first quarter, reversing a steady decline during the previous two years. Page 5

● HANSON TRUST, the agri-products and industrial services group, reported taxable profits up from £16.1m to £18.2m for the half-year to end March. Page 22; Lex, Back Page

● WESTLAND Aircraft, the group engaged in design, development and sale of helicopters, hovercraft and control systems, increased pretax profits for the half-year to end-March from £10.57m to £12.43m. Page 22; Lex Back Page

● B. ELLIOTT, maker of machine tools and engineering products, reported pre-tax profits down from £11.39m to £8.56m for the year to end March. Page 22

● CHARTER CONSOLIDATED is to offer 110p per share for the publicly held minority of Beralt Tin and Wolfram at a net cost of £3.16m. Page 24

Poland's party leader fends off Moscow attempt to depose him

BY CHRISTOPHER BOBINSKI IN WARSAW

MR STANISLAW KANIA, leader of the Polish Communist Party, yesterday fought off a Moscow-inspired attempt to topple him from power.

Mr Kania, who earlier this week told a meeting of the party's policy-making central committee that he supported the reformist movement in the country, came under strong attack from one of his colleagues on the politburo during the second day of the committee's meeting.

In an unprecedented move Mr Kania volunteered to submit himself and his fellow members of the politburo to individual votes of confidence by the committee. This followed an onslaught by Mr Tadeusz Grabski, the member responsible for the economy, who charged that the present leadership "is not capable of bringing the country through the crisis."

After a turbulent and confused discussion, however, the meeting decided not to vote as it became clear that a majority of the committee backed Mr Kania's team and accepted that leadership changes would lead to a revolt among the party rank and file.

The Warsaw meeting was called after the Soviet central committee had sent a letter in which it implied that Mr Kania and Gen Wojceich Jaruzelski, the Polish Prime Minister, could no longer be trusted to stem the tide of "counter-revolution."

The decision to retain Mr Kanie thus challenges the Soviet position and leaves Moscow with the choice of either going along with the Polish party's moderate line or taking further steps to instal a hardline leadership.

60, however, the now dominant

Moscow, East Berlin and other Communist capitals which have until recently bombarded Poland with criticism, have been silent for the past two days. Further moves may come, however, following a Warsaw Pact summit meeting scheduled to be held in Sofia, Bulgaria, nextweek.

Mr Grabski told the meeting the party was losing control and "dangerous trends were emerging in the country, a state of affairs for which the leadership was not entirely without blame."

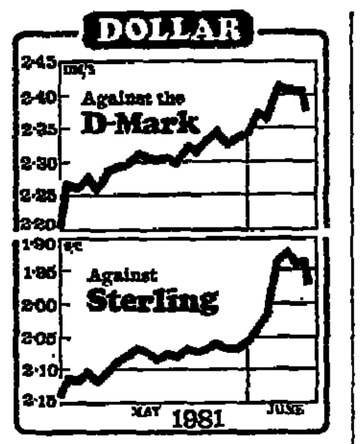
His warning followed earlier statements by central committee members, many of whom have been dismissed from their posts in the party as a result of the refroms of the past nine months. They called for a hardening of party policies, changes in the leadership and the postponement of next month's party congress.

Mr Kazimierz Barcikowski, another reformist politburo member, immediately countered Mr Grabski's call. He backed the moderate keynote speech delivered on Tuesday by Mr Kania which represented the politburo's answer to the Soviet letter. Mr Barcikowski said this was the only political line possible in the circumstances.

He offered to resign, and asked pointedly why Mr Grabski had said he had been left uninformed about developments in areas for which his economics post meant he was supposed to be responsible.

Many more central committee members have put their names down to speak and the meeting may go on for a third day.

Kremlin letter, Page 2
Editorial comment, Page 20



Dollar falls with lending rate decline

By Ian Hargreaves in New York and Peter Riddell in London

THE DOLLAR fell sharply sharply yesterday in response to a further decline in U.S. short-term interest rates.

Marine Midland, the 15th largest U.S. bank, cut its prime lending rate from 20 to 19½ per cent, and was joined by a handrul of small banks. Other large institutions were waiting to see whether the buoyant tone in credit markets would be maintained before moving to a lower prime.

The fall in dollar interest rates was the main influence on the U.S. currency which started to drop in New York on Tuesday evening. Some dealers said that speculative positions were being closed and profits being taken after the dollar's sharp rise in recent weeks. The uncertainties in the Middle East have also affected the market.

Economic Viewpoint, Page 21
Money Markets, Page 30
Lex, Back Page
CBI head applauds sterling fall, Page 6
Sterling to stay out of EMS, Page 2

The dollar dropped to DM 2.3725 in London after DM 2.3825 overnight in New York and a previous London close of DM 2.4020.

The weakness of the dollar helped sterling which jumped 3.1 cents from its previous London close to $1.9715, or 6½ cents above its weekend low. The pound also gained slightly against the main Continental currencies—rising from DM 4.66½ to DM 4.67½. The sterling trade-weighted index, measuring its average value against other curencies, rose by 0.4 points to 95.0.

The recovery in sterling in the last couple of days has been matched by greater stability in domestic financial markets. Three-month interbank rates dropped by a further ¼ point yesterday to 12$\frac{7}{16}$ per cent.

These moves have been reflected in greater confidence in the gilt-edged market where long-dated stocks rose by £¾

Continued on Back Page

Japan puts brake on car exports to Germany

BY ROGER BOYES IN BONN

JAPAN IS to cut sharply the growth rate of its car exports to West Germany in an attempt to ease the tense trade relations between Tokyo and Europe.

German Government officials, in announcing that an "understanding" had been reached yesterday between the two sides, said Japan was prepared to limit the growth of car exports to Germany to what they describe as an "annual" rate of 10 per cent starting this year.

Japanese car exports to Germany were 251,990 units at the end of 1980, or 10.4 per cent of the market share, up from 147,868 units the year before when the Japanese share was 5.6 per cent.

But Japanese car exports to Germany increased 30 per cent in the first five months of this year compared with the same period in 1980, reinforcing fears in Germany that Japanese cars originally destined for the now controlled U.S. market would be deflected on to the German market.

The announcement—made in Hamburg while Mr. Zenko Suzuki, the Japanese Premier, was meeting Chancellor Helmut Schmidt—seems to have taken the sting out of many of Bonn's criticisms. An annual export growth rate of 10 per cent should mean that the Japanese market share in Germany will increase at a much slower rate of about 1 percentage point a year.

However, it was not immediately clear in Bonn how long the arrangement would be effective, although it was seen as having a longer-term benefit than was suggested in Tokyo yesterday by Count Otto Lambsdorff, the German Economics Minister.

Count Lambsdorff, in his disclosure of the arrangement, had suggested the Japanese would have been prepared to limit car exports only for this year.

This would have been only a partial success for Bonn as the weakness of the D-Mark was already expected to make an impact on the price competitiveness of Japanese cars and effectively curb sales in the second half.

The main source of Bonn's anxiety was Japan's export targets for 1982. With the U.S. and Japan having recently signed a self-restraint agreement, there was a strong risk that many hundreds of thousands of extra Japanese cars would end up in Europe. Germany, as the most open market in the EEC, would have been the most vulnerable.

Germany's main argument in its talks with Tokyo was that a large scale Japanese invasion of domestic markets would have forced Bonn to take up, grudgingly, a more protectionist line within the EEC.

Striking civil servants annual holidays restricted

BY PHILIP BASSETT, LABOUR STAFF

THE GOVERNMENT has implemented its decision on toughter disciplinary action against striking civil servants yesterday. It restricted strikers' annual leave and wil ltoday issue formal warnings of suspension to about 1,000 staff.

The unions' widening of the strikes into politically sensitive benefit-payment areas and the moves towards all-out stoppages have provoked tougher action. More may fell follow.

Preliminary warnings of suspensions, or temporary relief from duty, will be given today to trade union representatives of staff in unemployment benefit offices who have either gone on strike or refused to provide agreed emergency arrangements for paying benefits.

About 1,000 staff, mainly in Scotland, but also in Yorkshire and Humberside, are likely to be affected.

The notices may force some to work normally, which would be seen as a victory for the Government.

The Civil Service Department yesterday curtailed some annual leave provisions for those on strike. Officials denied it was a punitive measure.

Under the arrangements laid out in a letter from Mr Angus Fraser, a deputy secretary in the Civil Service Department with responsibility for personnel management, strikers with holiday due while they are on strike have had their leave canceleld. Those with leave due to return to work shortly before it is to start, or those without leave due when then apply for it, will have to seek re-approval of it, and will in any case have to work for a week before takin gtime off.

Some ministers are thought to be concerned about the long-term effects on industrial relations not just in the Civil Service but throughout the public sector that might be caused by a humiliating defeat of the unions.

It is thought that the option of refusing to backdate the eventual pay settlement to the due date of April 1 for those who have taken part in the strikes, while backdating it for those who have remained at work, may be announced soon.

An announcement is still expected soon of an inquiry into Civil Service pay, although it has not been agreed with union leaders.

In a direct approach by letter to the Prime Minister—virtually unprecedented over a single dispute—Mr Len Murray, TUC general secretary, urged the Government to reconsider urgently its rigid stance

The unions yesterday started sending out to members a document spelling out the options open to the pay campaign. A circular from the largest union, the Civil and Public Services' Association, says an all-out strike is "the one remaining honourable option which will enable us to face the Government with strength . and dignity."

Scottish air traffic could be hit today by strikes by engineers and radar staff. More passport office staff were also brought out yesterday, though the disruption has been eased by a decision that will allow the U.S. Embassy to stamp Post Office-issued temporary passports with entry visas.

Britain to seek review of trade protection measures

BY ELINOR GOODMAN AND PAUL CHEESERIGHT

THE GOVERNMENT is planning a long-term diplomatic initiative to try to secure a review of international trading regulations. It wants to find out whether the regulations give adequate protection against imports from countries like Japan.

Particular concern is focused on the impact of such imports on developing British industries in high technology areas.

At the centre of the Government's move is Article XIX of the General Agreement on Tariffs and Trade (GATT). That allows nations to take action against imports which seriously damage domestic industry. But it is geared to dumping and surges in sales, constituting unfair competition, rather than to the kind of highly efficient competition posed by Japan.

As a first step Mrs Thatcher may informally raise the issue at next month's Ottawa summit of the world's leading industrialised nations, when Japan's trading relationships are in any case expected to be discussed.

The initiative springs from a Department of Trade paper examining medium- and long-term prospects for Anglo-Japanese trade. It will have no effect on more immediate problems like the level of car or electronic imports.

The move represents the Government's first admission that the problems caused by Japan's targeting of exports in

Continued on Back Page
Japanese challenge strains GATT, Page 5

£ in New York

	June 9	Previous
Spot	$1.9550-9600	$1.9175-9195
1 month	1.09-1.14 pm	1.16-1.35 pm
3 months	2.40-2.50 pm	2.20-2.30 pm
12 months	4.25-4.45 pm	4.35-4.55 pm

Ferranti silicon chip success

BY ALAN CANE

FERRANTI Electronics yesterday announced a breakthrough in making a special kind of silicon chip which can cut sharply the cost of many electronic systems.

The company, part of the Ferranti engineering and defence group, has specialised for almost 10 years in producing a standard pattern of silicon chip.

These so-called uncommitted logic arrays or gate arrays consist of a large number of microscopic transistor-like components etched into a standard pattern. Customers can have these components connected in different ways according to their own designs. This is considerably cheaper than having a special chip designed and made from scratch.

The big U.S. and Japanese semiconductor companies have concentrated on the other hand on mass producing standard chips used as the basic component for computers and in other applications such as telecommunications.

Specially designed chips or the uncommitted logic arrays are used where highly complex circuitry has to be compressed into a small space, for example, in camera controls.

They had been neglected by the big U.S. and Japanese semiconductor houses, which concentrated on selling low-cost standard chips in large quantities. Logic chips are the electronic building blocks of a computer processor.

Ferranti Electronics and its U.S. subsidiary Interdesign of Sunnyvale, California, reckon to be the world leaders in these chips with 30 per cent of the world market for uncommitted logic arrays.

The industry believes these chips will be among the dominant technologies of the 1980s. The market value is estimated at $20bn (£10.2bn) by the end of the decade.

Ferranti markets more than 20 varieties o f uncomitted logic arays. Yesterday it announced a new fabrication technique, FAB 2, enabling it to compress substantially more features on to the chip without significant penalty in speed or power.

Ferranti's market position in these chips is now under attack as large U.S. and Japanese manufacturers like Texas Instruments, National Semiconductor, Hitachi and Fujitsu move increasingly into uncommitted logic arrays to cut design costs. It now costs more than $250,000 to design a complex chip and takes more than a year. In uncommitted logic, Ferranti reckons to do the same job for less than $20,000 in 14 weeks.

Ferranti shapes up to the Silicon giants, Page 20

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treas. 9¼pc 1983	£92⅜	+ ⅞
Treas. 11½pc '89 A	£89¾	+ ¼
Cornell Dresses	162	+ 7
Daejan	190	+ 6
Lotus Car	32	+ 5
Pegler-Hattersley	176	+ 8
Polly Peck	308	+ 8
Sketchley	246	+ 6
Beralt Tin	100	+ 25
Ventersposl	534	+ 22

FALLS		
Commercial Union	166	− 6
Daon Devpt.	460	− 50
GRE New	48pm	− 12
Ladbroke	327	− 5
Royal Insurance	378	− 12
Tunnel B	430	− 12
Turner and Newall	91	− 3
Westland	144	− 10
Aust. Cons. Mins.	28	− 5
Cen. Pacific Mins.	92	− 13
Eagle Corp.	42	− 8
Geevor Tin	115	− 15
Pancontinental	385	− 15
Southern Pacific Pet.	39	− 5
Swan Resources	63	− 7
Vamgas	737	− 50
Western Mining	305	− 10

CONTENTS

For latest Share Index phone 01-246 8026

'Dear comrades, the Polish state is in danger . . .'

THE FOLLOWING is a translation of key extracts from the letter by the central committee of the Soviet Communist Party received on Sunday by the central committee of the Polish United Workers Party (PZPR):

Dear Comrades,—The central committee of the Communist Party of the Soviet Union addresses itself to you as it feels acute anxiety about the fate of socialism in Poland, the fate of Poland as a free and independent state.

The change in the leadership of the PZPR, the attempt to overcome the serious errors resulting from the contravention of the rules of socialist construction, to regain the confidence of the masses and above all the working class in the party, met with our full understanding. However, right from the beginning, we thought it important that the party should rebuff determinedly the attempts by the enemies of socialism. This was not done.

The present situation is dangerous and the country is in a dangerous state.

The enemies of socialist Poland are struggling for power without even concealing their aims and they are attaining their goal. The extremist wing of Solidarity is being used as the combat task force of *counter-revolution*.

The serious danger which is hanging over socialism in Poland represents a threat to the very existence of the Polish state. If the worst were to happen and the enemies of socialism were to come to power, if Poland were to be deprived of the defence capacity of the socialist commonwealth, then the imperialists would immediately stretch out their greedy hands. Who would then guarantee the *independence, sovereignty* and *frontiers* of the Polish state? No one.

The enemy has brought the mass media under his control which, in its overwhelming majority, has become the tool of anti-socialist activity and is being exploited to undermine socialism and bring about the disintegration of the party.

The necessity to strengthen the prestige of the public security organs and the army and to defend them against the temptation of *counter-revolutionary* forces has been openly undermined. The fact that attempts to slander and bring about the disintegration of the security forces, the police and also the army have been successful means the disarmament of the socialist state and the handing over of it to the mercy of the class enemy.

We want to underline that S. Kania, W. Jaruzelski and the other Polish comrades have expressed agreement with our views on all the points that have been mentioned. But, in fact, everything stays the same and no corrections have been introduced into the policy of concession and compromise.

Lately, the situation in the PZPR has become the subject of particular concern. Little more than a month divides us from the congress. And concern cannot but be aroused by the fact that, more often than not, people with openly opportunist views are being elected to posts in the local party organisations as well as delegates to provincial conferences and the congress itself.

Experienced and dedicated activists of blameless reputation and morals are being pushed aside through numerous manipulations by revisionists and opportunists and the enemies of the PZPR.

It is not inconceivable that there might be an attempt at the congress to deal a decisive blow to the Marxist—Leninist forces in the party to lead to its liquidation. We also want to say, in particular, that the forces of counter-revolution in recent months have been actively disseminating all kinds of anti-sovietism.

We are worried, as are the other fraternal parties, that the offensive of hostile anti-socialist *forces in Poland threatens the* interests of the whole community, its cohesion, integrity and safety of its frontiers.

We consider that there is still a chance to avoid the worst, to avoid national catastrophe. There are many honest and determined communists in the PZPR ready to fight actively for the ideals of Marxism-Leninism, for an independent Poland. There are many people in Poland who are dedicated to the cause of socialism.

The question is to mobilise all the healthy forces in society to rebuff the class enemy and struggle against counter-revolution. First and foremost, that requires the revolutionary determination of the party itself, its activists, its leadership. Yes, its leadership.

Time will not wait. The party can and should find the will to overcome the present trend and, even before the ninth congress takes place, direct events in the right direction. We wish to assure you, comrades, that in the difficult days, as ever in the past, the central committee of the Soviet Communist Party, all Soviet communists and the whole nation are in solidarity with your struggle.

Our position was precisely expressed by L. I. Brezhnev at the *24th congress of the Soviet Communist Party*: "Socialist Poland, fraternal Poland will not be abandoned by us in need, nor will we permit it to be harmed."

Signed by the central committee of the Soviet Communist Party.

Trade bank fails to repay loan

BY FRANCIS GHILES

POLAND'S FOREIGN trade bank, Bank Handlowy, yesterday failed to repay a $30m floating rate note issue which it had arranged under the aegis of Banque Nationale de Paris in 1976. This has increased the fears that some non-banking holders of the notes might sue for recovery of their money, an action which could set off a chain of defaults covering bank loans as well as other securities issued by Poland.

Since the beginning of this year Poland has been negotiating with international banks and Western official credit agencies with a view to rescheduling $6.6bn worth of debt ($3.5bn of it government guaranteed) which falls due in 1981, thereby avoiding a declaration of default. International banks are due to meet on June 24 to discuss the rescheduling of the $3.1bn owed to the banks this year in Paris.

By then they will know whether any of the note holders of the unpaid FRN note have taken legal action. Legal clauses in the initial contract for the FRN do not allow note holders to initiate legal proceedings for at least 10 days after the notes are finally due, that is June 20.

On June 9, Bank Handlowy confirmed to Banque Nationale de Paris that it will repay the last coupon on this FRN note which amounts to just over $3m. But it gave no indication of its intention regarding repayment of the principal amount of this note.

Christopher Bobinski writes from Warsaw: Any attempt to use force in Poland, either through outside intervention or by the internal security forces, would have incalculable consequences, says a group of leading Polish intellectuals.

The warning came yesterday in an analysis of the present situation by "Experience and the Future," a group of party and non-party members.

The group says that force would mean the end of any chances for establishing communism in Poland. It would bring the disintegration of the party and the formation of an underground resistance movement.

Sterling to stay out of EMS

By John Wyles in Brussels

THE BRITISH Government still rules out the possibility of sterling participating in the European monetary system, despite the recent sharp fall in the value of the pound. With sterling much closer to what most economists consider its true international value, speculation has been increasing that the UK may now see a real opportunity to slot it into the EEC's system of fixed exchange rates.

However, London takes the view that, as a petro-currency, sterling is still not suited to EMS membership. Moreover, officials think that the system may be heading for a new period of instability because of the weakness of the French franc and this might be compounded by the addition of sterling.

It is argued in Whitehall that sterling is still as vulnerable as ever to sharp movements upwards and downwards because of changes in the world oil price or because of threats to oil supplies posed by new tensions in the Middle East.

Putting sterling into the EMS, moreover, would compel the Government to make a politically defensible decision about the rate it would be pegged at against other EEC currencies. Ministers are reluctant to make such a choice, particularly in view of the fact that industry, which once was deeply worried about the rate being too high, is now fearful about the effects of the sudden drop to current levels.

Officials concede that inside the EMS, sterling should be more stable, but its vulnerability to external events could mean that its EMS rate would remain defensible against upward pressures only at the cost of jeopardising the Government's monetary policy.

The future of the French franc in the EMS is almost of more interest to London than the question of sterling's participation. There are doubts as to whether the new socialist government in Paris will be able, or want, to maintain the fixed rate policies of its predecessor over the next 12 months.

The possibility that the EMS may be reduced to a much more limited regime involving the D-Mark and its "satellite" currencies of the Benelux countries is not now excluded from Whitehall thinking.

Our Foreign Staff adds: Devaluation of the French franc is inevitable unless there is a reversal of French economic policy, Count Otto Lambsdorff, the West German Economics Minister, warned in Tokyo yesterday.

It was difficult to forecast the direction of French monetary policy, he added, but the steps taken so far by the new socialist administration of President Francois Mitterrand had put a heavy burden on the economy.

The minister also told reporters that he expected U.S. interest rates to remain high for the rest of this year and during the first three months of 1982.

U.S. interest rates were a burden to many countries, especially West Germany, he said.

Iran intervenes in Krupp plan to reduce jobs

BY ROGER BOYES IN BONN

THE GOVERNMENT of Iran yesterday held the balance of power in an unusual tug-of-war between worker directors and shareholder representatives of Krupp Stahl, the West German steel group.

Krupp Stahl's supervisory board—half worker, half shareholder delegates—were meeting last night to decide on a management plan to concentrate steel production and thus phase out some 5,000 jobs over several years. But, before the meeting, Iran, which has a more than 25 per cent stake in Krupp, had signalled its readiness to vote with the worker directors against the management plan.

If Iran does side with the workers it will be the first example of the Teheran Government using its equity in an explicitly political way. Senior Iranian diplomats have clear to worker representatives that "throwing workers on to the streets out of capitalist motives is not reconcilable with the aims of the Islamic revolution."

The plan was originally due to be approved at a supervisory meeting on May 13 and Krupp did not expect any problems. However, the Iranians complained that they had not been given enough notice.

The time between May 13 and yesterday's meeting has been used by some workforce representatives to woo over the Iranians. Members of the works council at Hagen, the area most sharply affected by the restructuring, approached the embassy with an alternative plan and received a sympathetic response.

However, there are two hurdles for the workers. First, it is not known whether the Iranian ambassador's view is shared by Krupp's two Iranian directors, who include Mr Mohmoud Ahmad-Zadeh, the Iranian Industry Minister. Confusion surrounding the current power struggle in Tehran has made hit voting intentions even less predictable.

Secondly, members of the workforce believe that Krupp may have modified its plans ahead of the supervisory board session in a way that would be acceptable to the Iranians. Krupp will make no comment on this.

Krupp Stahl, the steel-making arm of the Krupp group, has decided to rationalise crude steel production in its Hagen works, primarily because of the harsh competition in the European steel markets.

Irish parties neck and neck on eve of election

By Stewart Dalby in Dublin

FIANNA FAIL, the party of Mr. Charles Haughey, the Irish Prime Minister, and the combined Opposition grouping led by Dr. Garret FitzGerald's Fine Gael, were neck and neck in the latest opinion polls before today's Irish general election.

Mr. Haughey, whose ruling Fianna Fail Party holds a record 16 seat majority in the Dail (Parliament), has campaigned on the question of Northern Ireland and has tried to push the economy into the background.

At stake are 166 seats in the Dail, an increase of 18 over the 1977 election. Mr. Halghey has attempted to defuse the issues of the 18 per cent inflation rate and the unemployment rate of more than 10 per cent by stressing the nationalist issue.

The polls seem to suggest the appeal by Dr. FitzGerald in terms of tax cuts and subsidies to stay-at-home wives is having a certain influence.

Mr. Haughey yesterday stressed that his policy on Northern Ireland would continue. His talks with Mrs Margaret Thatcher on opening a dialogue to solve the Northern Ireland question were the only way forward.

On the economy, he said Government spending was necessary to avoid hardship and unemployment.

The two main issues in the campaign were Northern Ireland and the economy. Mr Haughey has continued the policy of his predecessor Mr Jack Lynch of deficit financing.

The situation has got out of hand, according to most independent economists. The public sector borrowing requirement this year is predicted at 18 per cent. The balance of payments deficit on current account has been put at I£1.3bn (£1bn) for 1981 by the Economic and Social Research Institute. This level of indebtedness is considered unsustainable.

His critics argue that if he had taken the necessary deflationary measures this would have meant a drop in living standards which would have lost him the election.

Reuter reports: Mr Haughey may do better than the opinion polls suggest. They were taken before his television debate with Dr FitzGerald and Mr Frank Cluskey of the left-wing Labour Party. Mr Haughey was thought to have emerged with slightly more credit than his rivals.

First results from the election are expected tomorrow afternoon.

Fight over premiership animates Dutch search for new coalition

BY CHARLES BATCHELOR IN AMSTERDAM

POLITICAL PARTY leaders in the Netherlands meet today to try to hammer out a government programme against the background of a growing row over who should become the country's next Prime Minister.

The three men involved in today's talks are Mr. Dries van Agt, of the Christian Democratic Party and outgoing Prime Minister, Mr. Joop den Uyl, leader of the Labour Party, and Mr. Jan Terlouw, whose Democrats 66 party more than doubled its strength in Parliament in last month's election.

The party leaders will be meeting for the first time since the two mediators appointed by Queen Beatrix announced that they would first attempt to put together a centre-left government. The mediators have spent the past 10 days hearing the leaders' views individually and listing areas of agreement and conflict.

The main disagreement to emerge between the three parties has been the choice of the new Premier. Mr. van Agt has said that, as leader of the largest party in Parliament, he should remain in office. Mr. Terlouw and Mr. den Uyl say this question must be discussed along with other issues.

It would be unprecedented in post-war Dutch politics for a Prime Minister to remain in office when the coalition he heads undergoes a fundamental change. After three and a-half years as leader of a Right-of-Centre Government, comprising Christian Democrats and the Liberal Party, Mr van Agt would be unacceptable to many Leftwingers as head of a Left-of-Centre coalition.

The disagreement over the premiership has enlivened the political debate. Mr. van Agt said it resembled the weather as a subject of discussion: "Fascinating, but you can't do anything about it." Mr. den Uyl reacted with: "Nothing in this country is as unpredictable as the weather."

Labour and Democrats 66 are prepared to accept a Christian Democrat as Prime Minister but would prefer it to be someone other than Mr. van Agt.

A 10-point discussion programme has been drawn up for today's talks by the two mediators, Mr. Ruud Lubbers, deputy parliamentary party leader of the Christian Democrats, and Mr. Jan de Koning, the outgoing Minister for Development Aid. The discussions will include financial and economic policy, energy, housing, foreign policy and education.

Particular aspects of foreign policy which will be covered are nuclear weapons, the defence effort, development aid and human rights policies.

A coalition comprising the Labour, Democrats 66 and Christian Democratic parties would command 109 seats in the 150-seat lower house of Parliament. It would require the Christian Democrats to reject the Liberals with whom they governed amicably until the election.

Italians to plan Norway gas line

By William Dullforce in Oslo

THE ITALIAN state-run engineering group, Snamprogetti, will control the planning of the new gas pipeline approved by the Norwegian Parliament here yesterday.

A U.S. company, N. W. Kellogg, will do the project work for the land terminal at Kaarstoe on the Norwegian coast, which will receive gas piped in from the Statfjord and Heimdal fields.

The system includes a 30-inch pipeline, 285 kms long, from Statfjord to Kaarstoe, with a capacity of 8bn cubic metres a year. Output from Statfjord, which is already producing oil, is expected to be some 5m cubic metres of gas a year starting in 1986.

After the gas liquids have been separated out at Kaarstoe, a 36 inch pipeline with a length of 196 kms and a capacity of 6bn cubic metres, will carry the remaining dry gas to a riser platform in the middle of the North Sea. A 36 inch pipeline 150 kms long and with a capacity of 17bn cubic metres will link the Heimdal field to this riser platform.

From the platform another 36 in pipeline 203 kms long and with a capacity of 17bn cubic metres will make the final link to the Ekofisk complex, from which the existing pipeline to Emden starts.

Statoil has already secured contracts to supply its share of the gas to a consortium led by Ruhrgas at a price of $5.50 per million BTU cif Emden. The price, valid for July 1980, is adjusted quarterly.

The pipeline system is being built with a capacity well above the 7bn cubic metres a year which will be available in 1986 in order to allow for the development of other Norwegian gas fields.

Public spending cuts proposed

BY OUR AMSTERDAM CORRESPONDENT

WIDE-RANGING cuts in the Netherlands' welfare programme, civil servants' salaries and government departments' spending are proposed in a report just published. It outlines areas of public spending where savings of up to Fl 24bn (£4.6bn) could be made annually by 1985.

The report was commissioned by the outgoing government in February as a preliminary step towards reviving the Dutch economy and cutting public-sector spending. Compiled by officials in every department of government, it makes no policy recommendations but merely lists potential economies.

The report suggests cuts which would save up to 20 per cent of projected outlays by government departments and up to 10 per cent on welfare, health care and the salaries and pensions of public-sector workers. The aim of the study is to speed up decision making on the Netherlands' pressing economic problems once a new government is formed.

Controversial proposals in the field of welfare payments include cuts in the level of benefits paid to the unemployed and the sick. A basic minimum payment would be established above which "bonuses" would be paid depending on the length of time an employee had been in work and on the number of people he or she had to support.

People earning more than the minimum wage before losing their job would receive a lower benefit than at present, and families where more than one person received benefit would also have their payment reduced.

Defence spending has been largely spared because of the Dutch commitment to Nato's 3 per cent real rate of annual growth. But calculations carried out on the basis of no real growth in spending show that the Navy would have to do without new ships and aircraft, the army could not meet its UN comitent in southern Lebanon, and the air force would have to disband a fighter squadron in West Germany. The Dutch de-

Current account deficit forecast to improve

BY LESLIE COLITT IN BERLIN

WEST GERMANY'S balance of payments deficit this year is not likely to rise above the level of last year's DM 29bn (£6.2bn), according to a forecast by the West German Institute of Economic Research (DIW). The seasonally adjusted DM 10.1bn current account deficit in the first quarter of this year has led to fears that 1981 would see a further deterioration.

The Institute points out, however, that all signs indicate that the current account deficit in the second quarter will be considerably lower than in the first. It says this trend is likely to continue for the rest of the year as West Germany's terms of trade are not expected to worsen, following the recent decision not to increase oil prices by the Organisation of Petroleum Exporting Countries.

DIW says that only higher exports can help to lower West Germany's payments deficit over the short term. In April, the seasonally adjusted trade surplus rose to almost DM 3bn. The Institute notes that export orders for West German manufactured goods are rising faster than exports themselves. Imports are being retarded by the sluggish performance of the economy and by the decline in the use of energy and raw materials.

Since the beginning of 1979, it says, West Germany's terms of trade have continued to worsen and, in the first quarter of this year, dropped to 85 compared with 100 in 1976. This was lower than after the first oil price shock in 1974. But, in March and April, the increase in import prices slowed appreciably which meant the terms of trade did not worsen for the first time in the past two years.

The West German export surge in the first quarter was led by iron and steel products and chemicals. Exports of lorries and electrical engineering goods did not increase strongly enough to make up for a fall in exports of mechanical engineering products.

Exports of cars with up to two-litre engines and of electrical consumer goods was brisk, but shipments of textiles and clothing were down.

The Left may recapture an old stronghold, writes **Terry Dodsworth**, recently in Ussel

Mitterrand lays siege to Chirac's redoubt

M JACQUES CHIRAC, the Gaullist leader and self-appointed chief of the French Right, has become a living legend to his own constituents in Ussel. When he arrived in this sprawling, hill-farming community in central France about 15 years ago, it was a left-wing stronghold held by the Socialists. Since then, he has reversed the region's politics so completely that the only important question about the forthcoming parliamentary elections is whether he will win in the first round or be forced into a second-round play-off.

It is not difficult to see how M Chirac has earned this popularity. A big, enormously energetic man, who describes his hobby as "campaigning," he stomps his constituency incessantly. In the early days, when he was "parachuted" into this apparently unwinnable opposition territory, he made his mark by getting around, listening to hundreds of complaints and making sure they were answered.

Later, as a national politician, and particularly in a spell as agriculture minister, he was able to show his constituents how useful it was to be represented by someone at the centre of the government machine.

The "Chirac phenomenon," as it is called locally, has had its spin-off in the rest of the Correze, a department of three constituencies spanning the upper Dordogne valley. During the last 15 years, each of the three has returned a Gaullist deputy, despite a deeply embedded radical Socialist and Communist tradition among the peasant farmers. M Chirac's name, his pro-small farmers' policies, and his particularly vigorous brand of populist Gaullism, have undoubtedly been an essential element in wresting the area from the monopoly of the left.

But will the "Chirac phenomenon" hold good in the forthcoming elections? As elsewhere in the country, the Socialist Party is now riding a swell of popular enthusiasm, buoyed up by President Francois Mitterrand's victory, the decline of the Communist vote, and the general disarray on the right. It is just possible that the Socialists could recapture the Tulle and Brive constituencies adjoining M Chirac's Ussel—and that is the sort of victory which, extrapolated on a national scale, would spell disaster for the right, while delivering a serious blow to M Chirac's political future.

The key to this battle lies in the three-cornered balance of power between the Gaullists, the Communists and the Socialists. Among these forces, the Communist Party undoubtedly holds the pivotal position. With its long tradition of support for the poor peasant farmers, and an organisation strengthened by the leadership it gave to the Resistance movement 40 years ago, the party is the second most powerful political force in the area. But its support is waning, first undermined by the Gaullist offensive, and more recently sapped by the poor performance of M Georges Marchais, the party leader, in the presidential elections.

Jacques Chirac

This deterioration in the Communist vote makes the first round of elections, which select the two leading candidates for the second round run-off, particularly important in the marginal Correze seats.

Virtually everyone agrees it would be easier for the Socialists to beat the Gaullists in the second round, partly because the Communists tend to frighten off moderate voters, and partly because there is a better transference of Communist votes to Socialists than vice versa. But the Socialists are by no means certain of being able to overtake the Communists in the first round.

The redistribution of forces within the left is best illustrated at Brive, a thriving market town taken over by the Gaullists in the mid-1960s.

During the last parliamentary elections in 1978, the Communists came comfortably ahead of the Socialists in the first round, polling 15,400 votes against 13,400. But in the recent presidentials, the tables were turned completely, with President Mitterrand pulling well ahead of M Marchais to capture 15,800 votes to 12,900.

The big question now is whether the Mitterrand vote can be successfully carried over into a parliamentary contest: local polls suggest there is a good chance of that happening.

In Brive and in Tulle, where similar changes are occurring although not so pronounced, the Gaullist response to the Socialist challenge has been to play the Chirac card for all it is worth. But candidates are close to the Gaullist leader, and are emphasising the fact. They are also forcefully echoing the Chiracian themes of Socialist profligacy and the coming attack on personal and corporate liberties.

But it is painfully clear that President Mitterrand, like the old campaigner that he is, has chosen his battleground skilfully. The election has come so quickly after the Presidentials that the right really has no "record" on which to attack the Government. On farming, the one outstanding local question, the Socialists are just as supportive of the small farmers as their opponents.

Above all, the recent welfare improvements are more likely to win votes than to lose them, however much the Gaullists grumble about costs. There are plenty of modest family voters among M Chirac's own supporters and, as he knows from past experience, they are always ready enough to accept a state handout when it comes their way.

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Venezuelans slash oil refining

BY KIM FUAD IN CARACAS

VENEZUELA HAS this week cut crude oil processing to less than half its installed refining capacity of 1.5m barrels a day because of declining demand for its key refined export, residual fuel oil.

Refining runs are being reduced from about 70 per cent to a "minimum operative level" of 42 per cent of capacity to avoid excess output of the oil which accounts for about half the yield.

The South American producer has the largest refining capacity of any member state of the Organisation of Petroleum Exporting Countries and the cut represents part of its efforts to weather the glut in world oil markets. Other measures include the progressive trimming of prices of refined products and a reduction in overall output of crude oil.

Together the moves are expectedto cut into Venezuela's projected 1981 oil export sales of over $20bn by about $1bn, according to preliminary estimates. Since oil provides two-thirds of Venezuela's income, observers believe that the country may have to increase foreign borrowing to cover any degcit in planned spending of $168bn over the next five years.

The sixth national economic plan, now under debate in Congress in Caracas, includes a number of programmes to which present and future Administrations would be legally committed. These include completion of the Caracas metro, expansion of hydro-electric and thermal electric production, nearly ½m low-cost housing units, educational installations and the rolling over of short-term foreign debts. These alone will require investment of nearly $20bn. The oil industry itself plans to invest $25bn over the next six years.

"We are trying to cope with a trend for consumers to dip into their stocks rather than buy oil at present," a senior oil industry official said. "There has been an estimated draw-down of about 1bn barrels with stocks falling from a high of 5.5bn barrels to between 4.6bn-4.8bn barrels now."

Over the past fortnight, Venezuela has cut crude production by 10 per cent to 2b b/d, has reduced residual fuel oil prices for the third time in four months, and has lowered the refinery run to about 600,000 b/d.

Venezuela's 200,000 b/d cut-back in crude oil production went into effect on June 1 as part of the Geneva agreement among Opec members to reduce output collectively. Venezuelan output in the first half of 1981 was a little over 2.1m b/d. For the second half production will be about 2m b/d. Last month Venezuela cut residual fuel oil prices, with low sulphur (0.3 per cent) falling by $3.50 to $34.90 a barrel and high sulphur (2.8 per cent) by $2.45 to $26.35 a barrel.

Venezuelan crude oil prices which fall between Opec's low and high tiers have remained unchanged despite pressures from buyers. Crude and refined oil export prices currently average about $30 per barrel.

Reuter reports from Quito: Finance Ministers of OPEC member countries are to hold a three-day meeting in the Ecuadorean capital later this month. Ecuador's OPEC representative, Sr. Cesar Robalino said yesterday that the meeting from June 20 to 23, would discuss contributions from meber countries to an aid fund for non-oil-producing Thirld World nations.

Ecuador has cut its oil production by 11,000 b/d. Sr Eduardo Ortega Gomez, Minister of Natural and Energy Resources, has signed a decree cuting production in three oil-fields from June 1.

The decision is in accordance with the OPEC decisiion to reduce output and is also designed "to defend the Ecuadorian crude oil price."

Mexico needs $1.2bn more

By John Wicks in Zurich

MEXICO WILL need to raise an additional $1.2bn abroad this year to help finance its current account deficit resulting from the drop in the price of oil. Mexico cut its Isthmus crude oil price last week by $4 a barrel to $34.50.

Sr Angel Gurria, director of foreign loans with the Mexican Finance Ministry, disclosed this in Zurich yesterday. He said that the deficit on current account in 1981 would be higher than the $6bn recorded last year.

Despite this, Mexico did not intend to carry out a change in the pace of its foreign borrowing programme. This would now involve a total of about $14bn-$15bn this year.

By the end of this year, Mexico's foreign indebtedness would have risen to some $39bn, Sr Gurria said. He stressed that the growth rate for net borrowing was declining and should be down to some 11 per cent to 12 per cent in 1981

Exploration costs of $2,000bn expected

BY RAY DAFTER, ENERGY EDITOR

THE INTERNATIONAL oil and gas industry is set to spend about $2 trillion (million, million) on exploration and development over the next decade, according to a new study by the Chase Manhattan Bank.

The spending level assumes an inflation rate averaging 8 per cent to 9 per cent a year. The bank says that even without inflation the industry would be spending some $1 trillion.

Outlining the main points of the study, Mr Willard Butcher, chairman of the bank, told the American Petroleum Institute that to generate sufficient cash the industry would have to increase its net earnings at a much faster rate than in the 1970s, per haps approaching 20 per cent a year.

As a result, Governments would need to elminate unnecessary tax and pricing constraints, he said. "If Governments around the world treat petroleum production as a revenue producing cash cow instead of a strategic movement will stall and so will and economic necessity, this exploration activity."

Even with increased earnings the need for external financing would grow enormously, Mr Butcher said. The industry would probably be forced to raise $750bn on a global basis in the 1980-90 period. Some 10 per cent of this financing might be in the equity markets with the remainder coming from the credit markets.

The $2 trillion (million million) investment, he said, took no account of other expenditure such as dividend payments, increases in working capital and repayments of existing debt. All this could raise the sum by a third.

No U.S. butter for Brezhnev's bread

By David Buchan in Washington

PRESIDENT BREZHNEV will not get even a little bit of American buter to put on his U.S.-grown bread, under a Reagan Administration plan to keep butter exports out of Soviet hands.

Mr Alexander Haig, the Secretary of State, has persuaded his colleagues that it would send the wrong signal to sell the Soviet Union U.S. butter along with the bread provided by the lifting in April of the embargo on grain sales.

Thus, according to officials, Mr Reagan has rejected an Agriculture Department plan to dispose of the U.S. butter surplus on the world market where it would most probably end up in Soviet or East European hands. Instead, the Administration intends to sell butter in bilateral deals with the restriction that foreign customers should not re-sell to the Soviet Union.

The U.S. butter mountain reached 411m lbs at the end of May and, with the Government buying price 45 cents a pound higher than world levels, the surplus is growing by 10m lbs a week.

The Administration is trying to cut price supports for dairy farmers in the 1981-82 budget, but has less than complete backing from Congress. One reason why Mr Haig's argument has prevailed against butter sales to the Russians, although it failed against grain sales, is that the White House has no special sympathy for dairy farmers.

News of the Administration's butter plans were leaked to the Press here as talks between U.S. and Soviet officials ended in London with the U.S. offering to sell Moscow an extra 6m tonnes of wheat and feed grains.

Allegations withdrawn

The Toronto Star has withdrawn completely allegations that senior Liberal Party members profited from insider information on the C$1.46bn (£558m) takeover of Petrofina Canada by the Government-owned oil company Petro Canada, Victor Mackie reports. The allegations had caused a row in the Ottawa Parliament but were dismissed as "rubbish" by Mr Pierre Trudeau, the Prime Minister, who promised an inquiry.

Fixed mortgages bring home loan groups to the brink of crisis

BY DAVID LASCELLES IN NEW YORK

AFTER CHRYSLER and other big corporate names, the next candidates for a brush with bankruptcy could well be the Savings and Loan institutions, which perform much the same role in the U.S. housing market as building societies do in the UK. They take in short-term savings deposits and lend them long to home buyers.

Record interest rates and the peculiarities of the U.S. mortgage system have propelled the S and L industry into a state of near crisis. At least one has gone bust, several more have had to be rescued by merger and more than 200 are losing so much money that they are officially on the danger list. The crisis has put pressure on President Ronald Reagan's Administration to come up with some kind of help. But so far the White House has stuck by its philosophical distaste for government intervention and has proposed only small remedies which have not satisfied the industry—or its regulators.

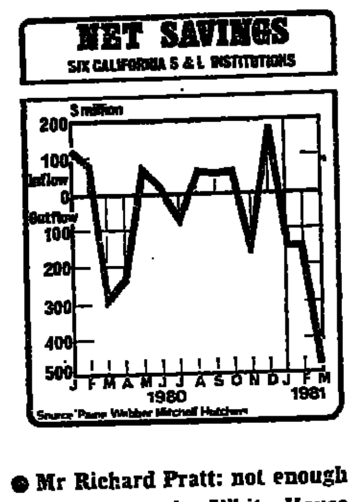
Some people argue the crisis is not as bad as it looks and that, given time, far-reaching modifications already made to the U.S. mortgage system will enable the S and Ls to get back on their feet.

The U.S. housing market has been built up on the fixed-rate mortgage, whose interest rate is set at the time it is issued and remains unchanged throughout its lift, usually 30 years. This contrasts sharply with the prevailing European mortgage, whose rate is adjusted at the whim of the lender or according to some index in line with changes in interest rates.

But while the U.S. system is good for the home buyer, particularly at times of rising interest rates because he can always be certain what his mortgage payment will be, it exposes the lender to the risk that the cost of funding mortgages will exceed the yield. For decades this risk was minimal because U.S. interest rates fluctuated little, and the S and L's were usually able to maintain a positive "spread" between cost and yield.

But the recent upheavals in the U.S. credit markets have changed all that. Funding costs have soared to 15 per cent or more, while most S and Ls have mortgages on their books yielding as little as 5 per cent. According to the Federal Home Loan Bank Board, which regulates the S and L industry, about half the outstanding mortgages currently yield less than 10 per cent.

● Mr Richard Pratt: not enough backing from the White House



The nation's mortgages as a whole yield somewhat over 11 per cent, but the cost of financing them recently rose above 12 per cent, which has pushed many S and Ls under water. What has made life particularly painful is the decision by banking regulators in Washington to phase out interest rate ceilings on savings deposits as part of a broad move to allow the free play of market forces in the bank deposits market.

For years, S and Ls paid only 5¼ per cent or less for most of the deposits they lent out as mortgages. Now some deposits cost them as much as three times that amount.

The crisis is particularly bad on the East Coast and in the Mid-West. New York's 10 largest S and Ls lost money in the first quarter of this year. And last month, a Chicago S and L failed, owing about $60m to depositors which was paid off by the Federal Savings and Loan Insurance Corporation, a government agency set up to protect depositors against S and L collapses.

On the West Coast, where most of the U.S.'s largest S and Ls are, the picture is brighter, but not much. Giant associations, like Home Savings with $14bn in assets, have been more profitable, thanks largely to the high turnover in the California housing market. But their spread also turned negative this spring.

Federal regulators of the S and L industry responded to the crisis last month by changing the rules to allow them to start issuing European-style variable rate mortgages. At a local level, many individual state regulators are doing the same. This reform should prevent mortgage lenders in the future being squeezed between rising costs and fixed yields. But it could take years before lenders have enough variable-rate mortgages on their books for the pressure to ease.

Mr Richard Pratt, chairman of the Federal Home Loan Bank Board, has been leading the rescue, but he does not appear to have had all the backing he would have liked from the Administration, even though Mr Reagan appointed him.

Mr Pratt has been promoting a Bill to authorise the U.S. Treasury to increase the Federal insurance corporation's credit line from $750m to $3bn to finance more bail-outs. But the White House opposed the plan because it feels committing funds would be inappropriate when the budget axe has been sharpened. However, the Treasury tried to appease the outraged reaction of the S and L industry by proposing a complicated plan to advance the S and Ls temporary letters of credit which could be included in their assets if these sank to danger level. The plan's appeal is that it does not require the Treasury to lay out money, but only exposes it to a contingent liability.

But the industry interpreted the plan as "the cold shoulder." Mr. Pratt, meanwhile, has said he will continue to use whatever resources he has at his disposal to bail out ailing S and Ls. These consist mainly of the $6bn or so that the Federal Insurance Corporation has accumulated in premiums over the years.

The danger of a major S and L collapse does not yet appear to have led to a crisis of confidence or a run on deposits. The investing public seems either unaware of the crisis, or confident that the authorities will come to the rescue if the worst comes to the worst.

The situation could improve if U.S. interest rates continue their two-week-old decline. This will gradually reduce the S and Ls cost of funds and stem the flow of savings into higher yielding accounts.

But the change to flexible mortgages will take years and will radically alter the character of U.S. housing finance, which is why people are talking of the S and L industry being at a turning point.

OVERSEAS NEWS

Bani-Sadr faces serious threat as Nowbari resigns

BY SIMON HENDERSON

THE GOVERNOR of the Iranian Central Bank, Mr Ali Reza Nowbari, resigned yesterday after prolonged disagreement with the Parliament over this year's budget.

His resignation represents a serious blow to President Abolhassan Bani-Sadr, whose own position is threatened by the powerful Moslem fundamentalist clergy who dominate revolutionary politics.

Mr Nowbari, 33, is also the main Iranian official in contact with the international financial community. Despite his youth, he has followed a sophisticated and respected policy in international banking and helped put together the complicated arrangements for the resolution of the U.S. hostage crisis in January.

No new governor has so far been named, and it is not immediately clear whose prerogative it will be to fill the post. President Bani-Sadr is unlikely to have any role as his political power has been steadily eroded. Yesterday the Parliament approved a Bill requiring the president to sign urgent legislation into law within 48 hours and all other Bills in five days.

President Bani-Sadr originally appointed Mr Nowbari in November 1979. At that time Mr Nowbari was the editor of the Islamic Revolution newspaper. Before the overthrow of the Shah, he had been educated in both the U.S. and France, where he was a graduate of the Ecole de Polytechnique.

Mr Nowbari had been sharply critical of the Government's policy, in particular its intention to increase oil production so as to balance the $43bn budget. Under the Shah's regime the oil revenues had been used only on the development side of the budget.

The final straw for him was apparently the passing of a Bill in the Parliament bringing him under the control of the Prime Minister, Mohammed Ali Rajai, a political adversary of President Bani-Sadr.

President Bani-Sadr is now in a precarious political position. Yesterday Iran State Radio said the armed forces joint staff had announced the support of the military for Ayatollah Khomeini, leader of the Islamic Revolution, and the constitution. Mr. Bani-Sadr, commander-in-chief of the armed forces, was not mentioned.

In yet another assault on Mr Bani-Sadr, Interior Minister Mr Mahdavi Kani declared illegal the Office for Co-ordination of the People's Co-operation with the President (OCPCP), which has tried to open branches round the country to muster grassroots support for Mr Bani-Sadr.

Tehran, scene of two days of clashes between Moslem extremists and Mr Bani-Sadr's supporters, was quiet yesterday.

With Mr Bani-Sadr's political future in doubt, Chief Justice Mohammad Deheshti was asked at a Press conference what would happen if the President departed. He said the President's duties would be taken over by a Presidential Council comprising the Prime Minister, the Speaker of the Parliament and himself.

Australian wages body rejects Telecom deal

SYDNEY—Australia's arbitration commission yesterday refused to endorse a settlement of a wage dispute that has crippled the country's communications links, saying it would contravene official wage guidelines.

At the same time it said the employers would be acting in bad faith if they did not implement the agreement reached last Friday.

The commission said the wage increases of up to A$32 ($38) a week in two stages would probably create industrial tension and disputes in other areas.

The management of the state-owned telecommunications body, Telecom, and unions representing 50,000 workers have been unable to have the agreement approved by the government or arbitration commissions.

Ten days of maintenance bans by the workers have brought chaos in communications links especially telephone lines abroad and between major cities.

The two unions involved said after the abitration commission statement that it was now up to the government to authorise Telecom to implement the agreement.

This would be a severe blow for the Government, which has bitterly attacked private companies for paying wage rises outside official guidelines.
Reuter

After the attack on the Iraqi nuclear reactor, FT writers look at the problems it raises

Nuclear safeguards: Are they strong enough?

BY DUNCAN CAMPBELL-SMITH

"THE ISRAELI raid has struck at the heart of what we are trying to do," said an official of one nuclear research body yesterday. "Atomic energy cannot be regulated by the laws of the jungle. The only alternative is effective regulation by a trusted international body."

This body is the International Atomic Energy Agency (IAEA). The Israelis' action on Sunday in bombing the nuclear facilities of Iraq, an IAEA member nation, has dramatically asserted that they do not trust the agency with its single most critical task: preventing the inevitable spread of civil nuclear power from leading to a spread in the ownership of nuclear weapons.

No-one in the nuclear industry doubts the terrible dangers which would result if other nations were to follow where the Israelis have led. Now, more than ever, governments and private industry alike stress that the IAEA must be trusted and helped to grow more powerful. As one British uranium expert said yesterday, "it is the best hope we have."

The IAEA was set up in 1957 as an autonomous intergovernmental organisation to report on the activities of the world nuclear industry. It has 110 member states, and last year carried out more than 1,100 inspections of over 500 nuclear power installations around the globe.

But in the face of a determined, covert attempt by a member state to exploit nuclear energy for military purposes, could the IAEA prove a really efficient safeguard?

Officials at its headquarters in Vienna produce three major reasons for believing so. The first is the breadth of the international support it now receives. Only China stands outside the fold, although certain countries maintain some of their projects outside IAEA safeguards. Altogether, inspections cover 48 countries without the nuclear bomb, and in 35 of these the routine includes safeguards laid down by the 1968 Non-Proliferation Treaty, from which the IAEA also acts as agent body.

Secondly, the agency has developed vigorous inspection techniques over the years. A recent quarterly bulletin of the IAEA discussed the improvements made available by modern surveillance techniques. Last year, these included taking 6m automatic extended exposure photographs.

And thirdly, it has encountered to date no significant political obstacles to its role. For those projects subject to IAEA safeguards, the guidelines have everywhere been observed and no rmembe country has sought to curtail existing inspection activities by the agency.

The question arises, however, as to how the IAEA could deal with a renegade member. It is essentially a technical agency. If a member state were found to be using enriched uranium or the plotonium by-product of nuclear generation for the development of a bomb, the IAEA's role would be restricted to drawing the international community's attention to the abuse. The director general is empowered to go direct to the United Nations Security Council. The alarm bells would ring—but would it be too late?

Those who have serious reservations about the IAEA's efficacy argue that, given a first rate team of scientists and adequate preparation, a poor quality bomb might be manufactured in as little as nine months. Neither precondition is thought to apply in Iraq's case, but the principle remains.

Other reservations arise from the fact that the IAEA's authority may not have been helped by the appearance of other bodies over recent years, particularly President Jimmy Carter's International Nuclear Fuel Cycle Evaluation and the London Nuclear Suppliers Club.

Above all, ironically, is the worry that the IAEA has no power to coerce nuclear power states who refuse to be subject to NPT safeguards. There are 13 such countries with whom the IAEA has only bilateral arrangements. Four of them are known to have access to weapons-grade material which the IAEA cannot inspect: South Africa, Pakistan, India and Israel.

Israeli bombing raid lasted 10 seconds

BY OUR FOREIGN STAFF

IRAQ intends to press ahead with its nuclear development programme despite the Israeli attack on its French-supplied reactor, Mr Latif Nassim Jassem, Minister of Information, said yesterday.

In an interview with the newspaper Al Thawra, official organ of the ruling Baathist Party, he said that the assault had shown how much Israel feared Iraq.

Some speculation about future Iraqi intentions was raised yesterday by the arrival in Paris of General Abdul Jawad Amin, a director of the state Organisation for Technology, Industry and Energy, who declined to answer reporters' questions and was said to have come to visit the Paris Air Show.

Yet it is believed that the new French Government will be very reluctant to contemplate renewing its predecessor's commitment. President Francois Mitterrand, when in opposition, was critical of the 1975 agreement under which France supplied two research reactors including the 70MW Osirak apparently devastated in Sunday's raid.

An account by an eyewitness yesterday emphasised the extent of the vulnerability of the target. On his arrival in Paris from Baghdad on the same flight as Gen Amin, M Jacques Rimbaud, a technician working on the pant, said that it had been completely destroyed and would have to be rebuilt from scratch, even though only four aircraft had taken part in the strike.

He said: "Two of them made a pass to check defences, then the other two followed dropping four bombs. All four aircraft then made another pass, probably to take photographs, before flying off. The entire attack lasted 10 seconds.

On Tuesday it had been impossible to approach the destroyed Osirak reactor built by Framatome and scheduled to come into operation in the next few months, added M Rimbaud, who was drinking an aperitif on the veranda of a near-by cafe when he saw the aircraft swoop in.

He said he rushed back to the site. "When I reached there, the precision of the bombing astonished me. It seemed to me the bombs fell to within one metre of their target."

M Rimbaud said that the other technicians and their families were expecting to be evacuated in the near future. Most of the 150-strong expatriate work force had left the site when the attack took place, he explained.

His account seemed to confirm the Israeli claim that the raid had been timed to minimise casualties. One Frenchman, a 25-year-old engineer was killed.

KING KHALED of Saudi Arabia meets Mrs Margaret Thatcher at 10 Downing Street yesterday. Before lunch the two leaders held talks along with Lord Carrington, the Foreign Secretary, Mr Douglas Hurd, Minister of State at the Foreign Office and Prince Sultan, the Saudi Defence Minister. The exchanges concentrated on the Mideast conflict

Pre-election row flares

By David Lennon in Tel Aviv

A PRE-ELECTION ROW flared in Israel over the bombing of the Iraqi nuclear reactor yesterday, with both the ruling Likud and the opposition Labour Parties accusing each other of placing vote winning over the national interest.

The squabble broke out after the Labour Party accused the Government of deliberately timing the raid just before the elections so as to boost its image. In response the Government has said that the opposition was being disloyal in trying to make the air strike into an electoral issue.

Mr Menahem Begin, the Prime Minister, released the text of a letter sent to him on May 10 by Mr Shimon Peres, the Labour leader. In the letter Mr Peres said he objected to the attack on the reactor because it would isolate Israel.

The Premier said that this clearly showed that the Labour leader opposed the raid, not just the timing as he had said earlier.

Labour has made the Government's timing of the air strike a key issue in its television political broadcasts. Public reaction has appeared generally to be negative to the approach, however.

Habib mission goes on despite Arab fury

BY JAMES BUCHAN AND IHSAN HIJAZI IN BEIRUT

THE MISSION of Mr Philip Habib, the U.S. special envoy, to defuse the crisis between Syria and Israel over Syrian missiles in east Lebanon will continue, despite Arab fury over the Israeli attack on Iraq's experimental nuclear reactor and doubts in the Arab world about the U.S. role in the affair.

Reports in Beirut that the Arab Foreign Ministers' meeting in Baghdad which Iraq called for today to discuss the attack, could demand the suspension of Israel from the United Nations are particularly worrying. A successful move by the Arab states at the UN could well lead to a U.S. veto, with serious consequences for tension in the Middle East.

Arab anger at the raid has spread all the way from Cairo to Kuwait. While Egyption opposition deputies demanded a break in relations with Israel, parliamentarians in Kuwait called on their Government to impose an oil embargo against the U.S. and withdraw deposits in American banks.

Analysts believe that without a reapproachment between Syria on the one hand and Iraq and Jordan on the other, and without an end to the war with Iran, an effective Arab front against Israel would not be possible.

A senior guerrilla leader, Salah Khalaf, better known by his code name of Abuiyad, has issued an appeal to Damascus and Baghdad to set their differences aside and join hands with the Palestine Liberation Organisation against Israel.

The Arab response has severely complicated and entirely overshadowed the Habib mission. The U.S. envoy, who arrived in Beirut on Tuesday afternoon, continued talks with Lebanese officials yesterday but he was not scheduled to leave the country yesterday, least of all to visit Syria.

There is little that Mr Habib can do at the moment but act as a symbol of the U.S.'s will to mediate in the missiles affair, despite Arab fury and doubts in Syria about U.S. good faith. Mr Habib can take no comfort from a statement in the official Syrian newspaper Al Baath that the U.S. gave permission for the attack.

If the mission is to continue at all, Syria will be looking for a major U.S. effort on much broader lines than simply trying to resolve the crisis over the missiles in the Bekada Valley.

India and Pakistan draw closer

By K. K. Sharma in Islamabad

A ROUND of talks in Islamabad between the Pakistani and Indian Foreign Ministers appears to have brought the two countries closer than at any time before, giving real substance to hopes for calm on the sub-continent.

The two Ministers, Mr. P. V. Narashima Rao of India and Mr. Agha Shahi of Pakistan were palpably optimistic yesterday about normalising relations between the two neighbours. A meeting between Mrs Indira Gandhi, the Indian Prime Minister and President Zia ul Haq of Pakistan now seems a distinct possibility.

The Foreign Ministers agreed to begin consultations at all levels of responsibility.

The surprising outcome of the talks between the two countries, which have gone to war with each other three times in the last three decades, is the result of their shared conviction that the "process of confidence-building calls for patient and continuous effort," as a joint statement yesterday said.

The two Ministers have agreed that both countries had the right to acquire arms for self-defence and discussed the "parametres of their defence acquisitions and decided to remain in touch with each other on a continuing basis."

This should put an end to the controversy over the U.S. decision to arm Pakistan, talks betwen the U.S. and Pakistan on military aid begin in Islamabad today when the U.S. Under-Secretary of State for Security, Mr. James Buckley, arrives in Islamabad.

While both India and Pakistan are wary of showing euphoria, there was a degree of warmth and optimism yesterday rarely seen in any contact betwen leaders of the two countries. Peace finally appears to be around the corner.

The two Foreign Ministers said they "recognised that the strengthening of friendship between India and Pakistan served the interests of both peoples and was indeed a geo-political imperative." This means they are willing to treat the sub-continent as a single entity for security purposes, which could have far-reaching implications.

They also reiterated their policy of using nuclear energy only for peaceful purposes. They called upon all nuclear weapons states seriously to discuss nuclear disarmament.

David White adds from Paris: Western countries have promised India 3 per cent more aid this year, bringing the total to about $3.45bn. Indian Government officials attending a meeting of donor countries in Paris this week considered the outcome to be satisfactory in view of present constraints on aid programmes.

Pledges for the current year amounted to 2.82bn special drawing rights, compared with SDR 2.73bn (£1.6bn) in 1979. More than half of the total was accounted for by the World Bank and its agencies, which together pledged some $2bn, according to officials at the World Bank's European headquarters.

Representatives of 13 donor countries attended the meeting, along with international organisations. A similar review of Pakistan's development plans and aid needs is due to start in Paris today.

Tony Walker, in Peking, reports on the launch of the 'China Daily'

China's Press learns from the West

"MY GOD, they've even got the cricket," commented the British businessman sitting down to breakfast in a Peking hotel with a copy of the new English-language "China Daily."

The China Daily went on sale this month in Chinese cities and in Hong Kong. It contains the sort of information which would have been unthinkable just a short time ago, and is an experiment for the Chinese, whose own newspapers tend to be long on Communist propaganda and short on news.

"A few years ago, when an increasing number of foreigners started coming to China, they complained of feeling cut off from information about events in the rest of the world," Feng Xilian, managing editor of the China Daily, said last week.

Trial issues of the daily, available in Peking for the past month or so, show the editors have tried to combine a Western approach to the presentation of news with what they see as China's propaganda interests.

To Western eyes, news judgments are sometimes jarring—like the day the story about the new French President took second place to a report of a propaganda radio broadcast by the Khmer Rouge making what appeared to be extravagant claims about battlefield successes in Kampuchea.

Feng, a shrewd grey-haired 60-year-old who speaks impeccable English learned at a missionary academy in pre-1949 Shanghai, concedes there are basic differences in approach.

"We don't see it as you see it," he said. "This paper is to

> ❛A few years ago when an increasing number of foreigners started coming to China they complained of feeling cut off. . . . This paper is to be read by foreigners, but still a lot of Chinese will read it.❜

be read by foreigners, but still a lot of Chinese will read it. I think we have to strike a good balance."

A small group of foreign journalists — referred to as "experts" — are helping the Chinese to achieve the balance. These journalists, some with wide experience, have helped to establish procedures for China's first English-language newspaper since Communist soldiers marched into the major cities, putting an end to Western influence.

Feng sees foreign participation in the newspaper as necessary to act "as a representative of the voice of the readers."

"Originally, I would have told you this paper would eventually be run exclusively by Chinese, but now I believe we'll need one or two experienced foreign journalists always," he said. Feng observed it was important to have a "second opinion, otherwise I think we would tend to get too subjective."

Mr John Lawrence, group training supervisor of David Syme, publisher of the Australian newspaper "The Age," has worked on the China Daily for the past six months. He believes news judgments among Chinese on the paper are beginning to correspond more with a Western audience's requirements.

"It is essential Chinese journalists develop a critical approach to news," he said. "This is starting."

China Daily, an eight-page broadsheet, has been more than two years in the making. The decision was taken in 1978 to produce a newspaper to serve not only foreign visitors and residents but also Chinese learning English.

The Chinese turned to such organisations as David Syme and Britain's Thomson Foundation for advice and assistance. Feng and senior colleagues spent a little more than a month in Melbourne last year studying production techniques.

Mr Jack Verley, special projects manager of David Syme, who negotiated an agreement with the Chinese to secure foreign advertising for the China Daily on a commission basis through Syme Media, Syme's Hong Kong subsidiary, describes the venture as "unusual."

This was because the Chinese had no experience in producing a daily English-language newspaper incorporating Western techniques of up-to-date news presentation.

The China Daily, as would be expected, has had some teething troubles. Feng said there were great difficulties getting suitable staff with a good grasp of English, and even now the paper is being run by what he describes as a "skeleton staff".

China Daily incorporates a mixture of Chinese and foreign news, features, travel hints, sport and business news, including gold prices and stock market reports from several world financial centres.

Much of the foreign news is taken from Western news agencies. It is quite common to find the big Western agencies jostling for space with Xinhua, the New China News Agency, on the pages of the China Daily.

Mr. Lawrence believes that the China Daily's Western-style news presentation, with its emphasis on attractive layout and use of photographs, may brighten up the format of Chinese newspapers, which have a singularly dull appearance.

He said there had been "a lot of feedback" from journalists working on Chinese publications who liked the way the China Daily looks.

The China Daily recently produced a picture page of the life and times of Soong Ching-ling, who died late last month—she was the widow of Sun Yat-sen, the father of modern China. It may be a coincidence, but two days later the party newspaper, the People's Daily, followed suit.

Britain reverses fall in exports of services

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BRITAIN increased its exports of services in the first three months of this year following a steady decline during the previous two years.

Central Statistical Office figures show the volume of exports of services rose by 0.6 per cent to 103.1 (1975=100) in the first three months compared with the previous quarter. Imports of services fell fractionally.

The UK surplus on service transactions rose to £1.21bn compared with £1.18bn in the previous three months. Total service earnings were £3.78bn, with payments of £2.57bn.

● The travel account moved back into surplus—of £44m—after the exceptional deficit in the previous quarter. Spending by visitors from overseas increased from £682m to £709m following falls in 1980.

The increase was the result of higher average expenditure per visit. The number of visitors *was 10 per cent lower than a* year earlier.

Spending overseas by UK visitors *fell* from £722m to £665m after two years of uninterrupted growth. The num*ber of visits* was lower than in any quarter of 1980.

● Earnings of UK dry-cargo operators were slightly lower in the first quarter because of the seamen's dispute in January and February. Tanker earnings benefited from a short-lived increase in voyage rates at the beginning of the year and from sterling's weakening against the dollar.

Overall, sea transport earnings rose by £15m to £937m.

● Earnings from civil aviation dropped by £19m to £595m because of lower spending in the UK by foreign airlines resulting from fewer aircraft movements.

British airline revenue from foreign passengers remained constant despite exchange rate changes which slightly eroded *the sterling* in value of tickets sold overseas.

EEC move urged over textiles

By Rhys David

THE UNDERLYING objective for EEC negotiators in the forthcoming General Agreement on Tariffs and Trade Multi Fibre Arrangement talks should be reducing the imbalance in its textile trade with the rest of the world, Comitextil, the body linking the industry in member countries, urges in a policy statement issued in London yesterday.

The Brussels-based organisation says the EEC is the largest textile exporting block, with annual overseas sales of $12bn (£6.18bn). It is also the biggest importer, buying goods worth $15.7bn in 1979, compared with U.S. imports of $7bn and Japanese imports of $3bn.

Between 1973 and 1979, the statement says imports from developing countries rose more than threefold and the EEC deficit with these countries went up nearly sixfold.

***Comitextil's argument* for restraining imports further is based on worsening EEC economic and social conditions. Some 8m people, representing 7.5 per cent of the working population, are unem*ployed, it notes.* New problems are likely to emerge after the Community is enlarged to include Spain and Portugal.**

The lack of reciprocity in *world textile trade* is also cited.

Japanese challenge strains GATT

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR

THE General Agreement on Tariffs and Trade (GATT) is *under fresh strain* when the major trading nations are trying to bring into effect the codes *agreed in 1979 at the end of* the Tokyo Round of multilateral trade negotiations.

The strain comes from the reaction, especially within the EEC and the U.S. to Japan's *export strategies.*

"What one has seen develop in the trading relationship of *Japan and the West is a most* powerful Japanese export drive in concentrated areas, which *has had a profound impact,"* Mr. John Biffen, UK Trade Secretary, said earlier this week.

"It has given rise to disturbance in patterns of trade and *provided an upheaval in a way* which the GATT never provided for. People are looking for *ways of moderating change* in the framework of the GATT."

There is broad agreement that the GATT framework must remain inviolate. *It is the main* international instrument for regulating and adjusting world trade.

"In world conditions that are unpredictable, no government *can alone adequately safeguard* its national interest. It can do so only within a system, estab*lished by rules,"* noted Mr. Arthur Dunkel, GATT secretary-general. The rules are the GATT.

It has 80 signatories and there are 30 nations which apply its *rules pending a decision on* membership. It has been within the GATT framework that inter*national tariff levels have been* reduced progressively and codes devised to lower non-tariff *barriers, as in the Tokyo Round.*

The GATT is the embodiment of the open trading system, but *it has not before had to con*tend with highly-targeted export selling, based on efficient production and marketing and *supported by plentiful long-*term finance, of the type favoured by Japan.

This challenge has revived a debate about conditions for the application of safeguards, but *in a different form from the* Tokyo Round discussions on Article XIX of the agreement.

Then the argument was about whether emergency safeguards could be erected against speci*fic products from one country* when those products were damaging domestic industry, or *whether restrictions on the pro*ducts of one country should be applied to all.

Either way the nation taking the safeguards would offer some form of compensation to the *country whose exports were* affected, or would face some form of retaliation.

In London, it is conceded it might be possible to invoke Article XIX against targeted Japanese exports. The difficulty *is the question of compensation.*

There is little disposition to pay compensation to Japan *when there is a large imbalance* in trade—£1.1bn in 1980, and rising perhaps to £1.4bn this *year.*

The UK Government is casting around for some other form *of erecting safeguards while* remaining within the GATT framework. It will be difficult, *perhaps impossible.*

A number of countries feel the Japanese problem acutely, *but there is no automatic dis*position to change the rules because one country is in trouble.

The GATT secretariat is monitoring the situation closely and Mr Dunkel has had talks *in Tokyo. No studies have been* made about the general scale of the Japanese challenge, how*ever. Japan has not* been breaching the GATT.

Inquiry brings price rise

BRUSSELS — *A European Com*mon Market dumping inquiry has prompted Japanese and East *European* ball-bearing makers to raise their export prices, EEC officials said yesterday.

A complaint from Common Market manufacturers that they were being unfairly undercut spurred the European Commission to investigate prices of ball- and roller-bearings from the Soviet Union, Poland, Romania and Japan.

It said the complaint was *founded but announced it was* ending the *study* after receiving commitments from the *manufacturers to raise* their prices enough to stop dumping.

Had they refused the Commission *could* have imposed duties to raise prices to EEC levels.

The undercutting averaged up to 62 per cent for the Soviet Union 37 per cent for Romania, 31 per cent for Poland and 20 per cent for Japan

Reuter

Fiat chief calls for curbs

***ROME—Sig Umberto Agnelli,* deputy chairman of FIAT, has urged European countries to *impose customs duties to slow* Japanese car exports.**

He was speaking at a *convention in Rome about* competition without conflict between Europe, Japan and the U.S.

Sig Agnelli, a long-time supporter of quotas on European imports of Japanese cars, said the "destructive *commercial penetration*" by Japanese makers is producing 13,000 jobless in the European auto industry for each 100,000 Japanese cars imported."

Sig Agnelli made public his strong stand while Mr Zenko Suzuki, Japan's Prime Minister, was beginning a six-nation European tour. One of his objects is to cool the controversy between Japan and EEC members over trade policies.

AP-DJ

Soviet ties with Libya to expand

By David Satter in Moscow

THE SOVIET UNION and Libya have reached agreement to expand *economic co-operation*, with emphasis on joint projects in power generation.

They agreed in a protocol signed in Moscow recently to *study the question of Soviet* assistance in the construction in Libya of a 800 Mw nuclear power *station, thermal power* stations, and power transmission lines.

Soviet-Libyan non-military trade had a value of Roubles 450.9m (£293m) last year, 5 per cent more than the 1979 value of Roubles 427.6m.

The Soviet Union supplies Libya with machinery, technological equipment, building materials and household goods, and receives fuel, raw materials and metals.

The Soviet news agency Tass said the Soviet Union reiterated *its willingness to take part in* operating a nuclear research centre built in Libya with Soviet assistance.

Tass said a contract was signed recently for a 370 km *power line along the Mediterranean* coast and a group of Soviet specialists will visit *Libya this year over plans for* more transmission lines.

Agreement was reached on expanding co-operation in the oil and gas industries.

U.S. plants go-ahead by Taiwan

By Bob King in Taipei

The Taiwan Government has approved multi-million dollar investment applications of U.S. companies Rockwell International and Eaton Corporation. The companies plan to produce heavy-duty truck components to fill the needs of the recently-formed Hua Tung Automotive Corporation.

Mr T. Y. Wan, of the Economic Ministry's investment commission, said Rockwell's investment would be about $7.5m (£3.8m) and Eaton's about $6m.

Rockwell would make rear *axle units (including differentials)*, and Eaton would make rear axles, *steering* mechanisms, and brake *systems.*

Output from the two plants will be aimed mainly at Hua Tung's estimated annual production of 10,000 heavy-duty trucks and buses.

Hua Tung is a joint venture between General Motors of the U.S. and the State-owned Taiwan Machinery Manufacturing Corporation.

Exports of the components is a possibility, Mr Wan said.

Previously, Taiwan had to import precision items such as rear axles and steering systems for large vehicles.

***Officials hope the infusion* of advanced foreign technology may spur local manu*facturers to upgrade their* motor components.**

Hua Tung is aiming for an initial local content rate of more than 30 per cent in its heavy vehicles, it hopes to raise this to at least 60 per cent within a couple of years.

● Zahnradfabrik Friedrichs Hafen (ZF) a West German company was reported in a local paper to be considering a $20m investment in a transmission and gearbox plant.

Backing for action on subsidies

By Our World Trade Editor

THE HOUSE of Representatives Banking Committee yesterday threw *its weight behind* the Reagan Administration's diplomatic offensive to reduce the *level of official subsidies paid* by U.S. trade competitors in export credits.

In a bipartisan gesture, the Committee voted to approve a bill sponsored by Representative Stephen Neal of North Carolina. This would set up a $1bn fund to give interest rate support to *privately funded export credits.* The fund could support such credits up to a total value of about $7bn.

The fund would also come into operation in October, 1983, *if the Administration had by* then failed to win agreement for the international reforms it is seeking and would be specifically directed against nations subsiding their export credits.

The move was a reaction to the displeasure felt in the Committee about the need to cut *back the 1982 loan authorisa*tions budget for the US Export-Import Bank to $3.5bn from the $4.4bn proposal of the Reagan Administration.

This cut was made within the *terms of an overall budget reso*lution cutting back numerous federal programmes, but it is *not definitive. It would have to* pass the full House, and the Senate at present is working on a *high 1982 budget for* Eximbank.

The Banking Committee felt it could not put up the 1982 budget for Eximbank in the face of the prevailing mood of budgetary restraint. But there are hopes that, because the fund would not come into operation until *the 1983 fiscal* year and then only on strict conditions controlled by the Treasury Secretary, it might win Administration approval.

Shell to build £13m catalyst unit in Ghent

BY SUE CAMERON, CHEMICALS CORRESPONDENT

THE SHELL group is to build *a £13m plant at Ghent* in Belgium to manufacture what it calls its "wonder balls" range of catalysts for the oil and chemical industries.

Shell *claims* the development of these catalysts is a technological breakthrough that could revolutionise the manufacture and supply of oil products and chemicals.

The company believes the catalysts could make vast supplies of sludgy high metal content Venezuelan crude oil usable in ordinary refineries on a large scale by removing the metal.

Venezuelan high metal oil could become "just as good as heavy Middle Eastern crude," it *says.*

Shell has confirmed that it has started discussions with Venezuela about *the use of the* catalysts.

It estimates Venezuela has enough high *metal crude* to supply the free world for 33 years. Shell says the high metal content of the crude makes it poisonous to the catalysts currently used in refineries.

Shell admits it will have to do further work on the catalysts before they are perfected for use in places such as Venezuela. It stresses that, although there are other catalysts which can remove large quantities of metal from Venezuelan-type crude, they are not as efficient as those developed by Shell, and they are not available in the same *quantities.*

Shell believes the free world market for oil industry catalysts has a strong growth potential. *It points out* that "rising crude prices and the scarcity of oil in the long term place a premium on maximising yields of high value products such as petrol" and adds that the new Shell catalyst technology will "play an important role in this field."

The group says the world market for catalysts for oil processing is worth about $250m (£128.8m) a year.

Shell says its catalyst business outside North America has been growing at 20 per cent a year for the last five years and now has an annual turnover of almost £25m.

Yesterday the group opened a 4,000 tonnes a year catalyst finishing plant at Ghent which is to become Shell's first major site for catalyst production in Europe. The £13m "wonder balls" unit, announced yesterday, is to be built there.

The secret of Shell's latest *discovery* lies in the balls, which are the catalyst carriers.

The manufacture of catalysts *involves making carriers*—most of those currently available are made of silica or alumina and are shaped like *chopped-up* pieces of spaghetti—and then impregnating them with the catalyst. *Oil or chemicals* are passed through the finished catalysts, usually at high temperatures and pressures, to bring about the desired reaction.

The catalyst carriers have to be durable and porous because this gives them a large surface area, enabling them to carry great quantities of catalytic material.

Workshops in warehouse scheme for Spitalfields

By Lisa Wood

TWO BRITISH oil companies and two clearing banks have set up a joint company under the auspices of the London Enterprise Agency to convert a 19th century warehouse in inner London to 45 small workshops at a cost of more than £600,000.

The four partners in the enterprise — Barclays Bank, Midland Bank, Shell UK and BP—see the project as a demonstration of how the expansion of the small business sector can assist in the regeneration of inner city areas.

The warehouse in Spitalfields, East London, has been unused since 1966, and was bought from the Greater London Council at a nominal price. If it is sold during a specified period the local authority can claw back any profit over and above the development costs.

The Spitalfields project is the first venture by the London Enterprise Agency in which it will act as developer. The agency, which was set up by nine major UK industrial and financial groups two years ago, has so far concentrated on providing a counselling service for small companies, providing courses on setting up small businesses and offering a "marriage bureau" to link small companies with potential investors and partners.

LEntA Properties—the name of the new company which will convert the Spitalfields property —said lettings would be on a flexible basis. Units would be between 200 sq ft and 1,000 sq ft. It is hoped small businesses already in the area which occupy substandard premises will be among those to occupy the new units.

Enterprise zone opens at Swansea

By Robin Reeves, Welsh Correspondent

BRITAIN'S FIRST enterprise zone was inaugurated officially at Swansea yesterday by Mr Michael Roberts, Welsh Office Minister of State.

From today all industry and commerce sited within a 735-acre zone in the lower Swansea valley will be exempt from most planning controls and Government and local authority financial burdens, including rates, for a 10-year period.

The enterprise zone experiment, first mooted in last year's Budget, was intended to pioneer an adventurous approach to industrial and commercial renewal, Mr Roberts said.

Complimenting Swansea on being the first to get its zone off the ground, Mr Roberts said official designation of the zones planned elsewhere would follow this summer.

Since approval for the experiment was first confirmed months ago, Swansea City Council, the zone authority, has received nearly 300 inquiries from potential investors in businesses ranging from the foundry to a restaurant.

Of these, 38 companies, promising about 125 pobs, have concluded terms with the council and are either trading in the zone or preparing to do so.

Property crash tycoon seeks discharge of £118m bankruptcy

BY RAY MAUGHAN

MEMORIES OF the 1973 property boom and its shuddering crash the following year were revived yesterday as Mr. William Stern strode into Court Number 46 of the Law Courts to hear his application for a discharge of bankruptcy.

The verdict was by no means as swift as many of his earlier property coups. The hearing has been adjourned until July 22.

Mr. Stern was dwarfed by his barrister but correctly dressed, as ever, in a pinstripe suit and with his grey homburg beside him on the green banquettes of the Bankruptcy Court in the modern Thomas Moore Annexe.

He heard the Official Receiver, Mr. John O'Reilly, describe once again the circumstances behind probably the largest bankruptcy case heard in Britain. He was once billed, with superb understatement, as "just an ordinary bankruptcy case with noughts."

The failure of Mr. Stern's residential and commercial property empire, directed by a company called Wilstar, entailed personal liabilities of more than £104m.

Wilstar, the court heard, had shareholders' funds of £25m in June 1973 but the "drastic" decline of property values and the calls on the debts personally guaranteed by Mr. Stern pushed the company into voluntary liquidation a year later.

Subsequent proposals for partial repayment by Mr. Stern's family in America and for an orderly disposal of the group's assets through a scheme of arrangement were turned down by Wilstar's creditors. A receiving order was made against Mr. Stern in April 1978 and he was declared bankrupt a month later.

The largest creditors, including the Crown Agents, Keyser Ullmann the merchant bank and the First National Bank of Chicago are opposing Mr. Stern's discharge application in its entirety.

Mr. Stern's debts have accumulated to £118,690,524 against his original indebtedness of £104,403,518 largely because the claim by the Crown Agents has grown from £24m to £38,642,329.

The court was told Mr. Stern's income as a self-employed consultant reached £12,679 in 1979, £14,728 last year and is expected to reach about £12,500 in 1981.

His family have agreed to make over a sum of £25,000 to the creditors, conditional on Mr Stern's discharge, and he has also offered to pay a further £10,000 a year for three years on the same terms.

Barclays Bank, another creditor, has already described the repayments as "totally derisory" and the main creditors expect that the postponed hearing will take days rather than hours. Counsel will quesion Mr Stern on matters arising not only from the Official Receiver's report but from the Fay Report into the affairs of the Crown Agents during the property boom and its aftermath, from a detailed examination of the accounts of Mr Stern's property companies and from the past and present lifestyle of the former property millionaire.

Petrol price-rises of up to 10p a gallon likely

BY SUE CAMERON

SHELL, ESSO, MOBIL and the other big oil companies seem set to push up the pump prices of their petrol by 6p-10p a gallon, following the lead given by BP Oil on Tuesday.

At least two are expected to announce higher pump prices today. Others may delay until next week.

All are likely to end price support to their dealers, which will raise prices at the pumps from the present average of about 150p for a gallon of four star to 156p-160p a gallon.

There was speculation in the industry last night that one or two big companies might shave wholesale petrol prices while ending price support. The aim would be to protect dealers' margins to some extent. Dealers in areas where competition is fiercest are likely to be hit hard by the complete withdrawal of price support.

But the result will still be a bigger bill for motorists—particularly in towns and cities. The price war at the pumps has been fought most bitterly in urban areas where some garages have been charging as little as 140p for a gallon of four star. Prices have tended to be higher in the country, with top prices of about 160p.

All the oil companies are losing substantially on their UK refining operations—BP Oil said it had lost £37m in the first three months this year.

But in the last few weeks their position has worsened because of the weakening of sterling against the dollar and what they see as the overpricing of North Sea crude. Most of them take much of their UK oil requirement from the North Sea.

Shell and Esso hold 20 per cent each of the UK petrol market, while BP Oil ranks third with 15 per cent.

Esso has the advantage of access to comparatively cheap Saudi crude at $32 a barrel, against the North Sea price of $39.25. But last night it seemed likely that it would also raise pump prices.

All the big companies have already put up the prices of other oil products such as heavy fuel oil and gas oil.

BP Oil said last night it would still need to put up prices by 4p a gallon to restore profitability.

Fresh setback for Lloyd's Bill

BY JOHN MOORE

THE PARLIAMENTARY Bill which Lloyd's of London is promoting for improving self-regulation within its insurance market has received a fresh setback. Two Lloyd's associations representing insurance brokers and underwriting agents have recommended to their members that a key amendment required by Parliament should be resisted.

The Lloyd's Underwriting Agents' Association has said the markets 20,000 members should be urged to vote against the amendment even if this could mean "that the Bill has to be withdrawn."

The success of the Bill is now much in doubt.

A House of Commons committee, chaired by Mr. Michael Meacher MP (Labour, Oldham W), wants the Bill amended to prevent managing agents—the groups which manage the affairs of underwriting syndicates at Lloyd's—from acting as members' agents (the groups which introduce members to the syndicates) because of conflicts of interest.

This requirement formed part of a wider provision laid down by the Commons committee last month which said the Bill "ought to be amended to provide for complete divestment between brokers and underwriters."

Both divestment and the prevention of managing agents acting as members' agents should be effected within five years of the Bill receiving Royal Assent.

The underwriting agents' association, representing all such agents is again both proposals.

It has told its members they may decide to support divestment between brokers and underwriters and make that recommendation to the members of Lloyd's whose affairs they look after, "purely as an expedient to allow the Bill to proceed."

On a divorce of managing agents' and members agents' operations the association says the move is not in the best interest of the members of Lloyd's.

The Lloyd's Insurance Brokers' Committee representing the brokers, is equally unhapy about divestment between brokers and underwriters and hopes that parliament will review its decision.

from members' agencies it says its members should vote against the proposal because of the "far-reaching and adverse effects on the Lloyd's community."

Bank 'did not press Burmah'

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

BURMAH OIL'S former chairman conceded in the High Court yesterday that the Bank of England did not deal unfairly with the company during its 1974-75 financial crisis.

Mr James Lumsden said the Bank had been compelled by the Government to impose hard terms on Burmah when it came to the company's aid.

He was asked by Mr Donald Rattee, QC, for the Bank: "Did the Bank do anything for which you could properly criticise it as being unfair?"

Mr. Lumsden replied: "In the circumstances I don't think the Bank could have done anything else."

The Bank, he said, had been instructed by the Government to give Burmah a less good deal than it would have liked

But he insisted that the price fixed by the Government to be paid by the Bank for Burmah's 20.1 per cent holding in BP had been unfair.

Mr Lumsden, who was chairman during the crisis, was giving evidence on the seventh day of Burmah's claim to have the share sale set aside

Burmah says the Bank acted unconscionably, taking advantage of Burmah's weakness to get the shares at a gross undervalue.

The company says the shares were worth between £540m and £860m when they were sold to the Bank for £179m. The current market valuation is nearly £1.2bn.

Mr Lumsden said he did not suggest the Bank put pressure on Burmah to sell the shares. He agreed it had been the company's only hope of salvation.

He also agreed that the share sale had to be seen as part of the package of support which involved the Bank in enormous commitments on doubtful security.

The company had hoped to share in the profits of any resale of the shares, to safeguard it against a rise in share prices.

Mr Justice Walton asked if the company had offered a loss sharing formula.

That had not arisen, said Mr Lumsden.

The hearing continues today.

Monroe evening dress sold for £950

SALEROOM

BY ANTONY THORNCROFT

THERE WAS much variety in London salerooms yesterday. Sotheby's Belgravia sold a brassière, handbag and evening gloves which had belonged to Marilyn Monroe for £520. The pre-sale forecast was £30.

Harmers sold a corner block of 12 Penny Blacks, one of the most important items of British philately still in private hands, for £95,000. At Sotheby's in Bond Street modern British paintings fetched a total of £382,088.

The brassière, etc., will go to Stanley Marsh, a collector who lives in Texas. A dress that the actress had left at Mme de Rachelle in Soho for alterations and did not collect sold for £950, three times the forecast, to Phillip Green. He plans to display it in the window of his discount clothing shop in Conduit Street, London.

Prices were generally below expectation at Harmer's sale of the "G. L." collection of classic Great Britain stamps. This reflected the stamp market's current weakness. The other major lot, the best Penny Black first-day cover known, made £14,000 also below forecast.

In the modern British paintings sale the works of Sir Alfred Munnings continue in demand. His The Steeplechase Start was bought by Richard Green for £30,000. Shrimp leading Ponies realised £26,000.

Another London dealer, D'Offay, bought Flask Walk Hampstead, by Charles Ginner, for £19,000, an auction record for the artist.

Christie's sold the finest group of Venetian illustrated books of the 18th century yet auctioned. It had been collected by John A. Saks of Connecticut, a former director of the New York store. The 281 lots fetched a totall £63,665.

Courtaulds blames its losses on pressure by American exporters

WHEN William Whitelaw, then Secretary of State for Northern Ireland, announced seven years ago Courtaulds' investment in a £25m integrated spinning, weaving and dyeing unit at Campsie near Londonderry, he was moved to describe it as a turning point in the reconstruction of the city and the province.

Since then, Northern Ireland's troubles have come no nearer solution. Courtaulds is looking back on cumulative losses of £16m in the venture, the total cost of which, including capital investment, has been more than £60m.

The group became in the early 1970s the province's biggest employer with more than 10,000 workers in fibre plants, linen mills and food processing. But it has now cut its Northern Ireland labour force by much more than half as part of its overall reduction in UK manufacturing facilities.

The closure of Campsie, announced yesterday, comes only months after the axeing of the company's nylon plant at Carrickfergus and the scrapping of polyester filament production at three sites

Campsie is likely to be seen as the first big victim of the very strong pressure on the UK market in the past year by U.S. producers of household textiles —the main product the plant was designed for. Helped by the rise in sterling last year and

Rhys David assesses what went wrong with a project seen as Ulster's hope

the advantage of cheap energy costs, U.S. producers have attacked the UK market with competitively priced bed linen. By the end of last year they had built up a one-third share.

At the instigation of the UK, the EEC began only a week ago an investigation into alleged dumping by the U.S. groups, and is likely to impose duties if the case is proved. Some reduction in the U.S. pressure as a result of the recent fall in sterling is also anticipated. But possible relief, according to Courtaulds, has come too late.

"The Americans now have a sophisticated selling organisation in this country and, even if conditions change, they are unlikely to go away," Mr John Eilkinson, chairman and chief executive of Courtaulds' Campsie division, said yesterday.

More importantly, Courtaulds sees no signs of an upturn in the depressed UK market. Campsie was built to produce 450,000 meters of fabric a week. At its peak it reached 65 per cent capacity. More recently it has been operating at one-third capacity.

Orders for workwear the plants other main product have also been depressed. Britain's miners were fitted out with new work wear using fabric from Campsie, but this contract ran out some time ago and similar big orders have not materialised.

Courtaulds insists that it intends to stay in household-textiles and work wear and will supply its customers from its British facilities.

The company is, however, a very much reduced force in cotton type weavin gin the UK, having closed major modern plants in the past year at Lilyhall, and Carlisle in Cumbria with the loss of around 900 jobs. In 1976, it also pulled out from another big weaving investment, Skelmersdale.

As such, it would not be surprisin gif a big proportion of Courtaulds' requirement for households textiles and work wear fabric were met, over the long-term, from overseas.

In part this could depend on what Courtaulds decides to do with the 380 looms at Campside. These could be brought across to Britain, but a more likely alternative is that they will follow the Carlisle and Lillyhall machines overseas.

Several hundred looms from the Cumbrian plant are believe to have been created and shipped to buyers in the U.S. — ironically the main source of Courtaulds' recent problem.

CBI head applauds drop in sterling

Financial Times Reporter

THE PROSPECTS for British business and the economy were brighter because of the drop in the value of the pound, and the Government should not overreact by increasing the minimum lending rate, Sir Terence Beckett, director-general of the Confederation of British Industry, said yesterday.

A higher MLR would be "a bitter pill for industry after all it has swallowed in the last two years," he said.

"The fall in the value of the pound will be beneficial to industry — improving profit margins, output and job prospects and making imports less attractive to the UK consumer," said Sir Terence.

These benefits would outweigh the disadvantage of increased costs for imported commodities and materials.

Living cost 'up 13%'

FAMILIES need an increase in their incomes of 13.3 per cent to maintain their living standards at the level of a year ago, says a cost of living survey published today.

The elements pushing up the cost of living most have been national insurance, up 34.6 per cent in a year, and income tax up 27.9 per cent, says the report from Reward Regional Surveys.

Computerised news

THE Press Association, Britain's national press agency, is to computerise its news service to its 120 provincial newspaper subscribers.

This will allow them to receive information 10 times faster—up to 1,000 words a minute.

Stansted backed

A FIFTH passenger terminal at Heathrom Airport, London, rather than developing a new airport at Stansted, would not be in the best interests of the UK air transport industry or the nation as a whole, the British Airports Authority said.

Such a terminal could not be provided without breaching the ceiling of 275,000 aircraft movements a year set by the Government from the time the planned fourth terminal, now being built, comes into operation in 1985, the authority said.

Radio contract

AN CONTRACT for an independent local radio service for Swindon and West Wiltshire has been awarded to Wiltshire Radio by the Independent Broadcasting Authority.

The station should be operating by next summer and will broadcast for about 18 hours a day.

Coin St. hearing

A HIGH COURT judge has given Greycoat Commercial Estates leave to apply for an order for the reconvening of a public inquiry into the future of the controversial Coin St. site on London's South Bank.

Choosing the British nuclear deterrent—and guessing at the cost

A WEEK today the Cabinet will meet to consider the most drastic defence review for almost a decade. The package of cuts which Mr John Nott, the Defence Secretary, is expected to present to his colleagues will probably leave unscathed only one key component of Britian's defence.

The Royal Navy's contribution to Atlantic defence is expected to be slashed. The Rhine Army on Europe's central front is likely to be pruned. A little less may be trimmed from the varied roles of the RAF.

But Britain's independent nuclear deterrent will apparently not be touched.

Britain's role as a nuclear power has recently generated much heated debate, which has not surprisingly centred on the £5-£7bn Trident project.

Trident's opponents claim that Mr Nott would not be planning to cut spending in the next decade if the Government had not chosen to replace the Polaris, the linchpin of the present deterrent with the Trident submarine and missile system. The Government denies this, blaming more general economic constraints.

Issues of morality aside, there seem to be two key questions about the deterrent as Mr Nott completes his defence review. The first, and easier to answer, is why the Government has now chosen not only to maintain but to modernise Britain's nuclear forces at a cost of several billion pounds.

The second concerns Trident itself. Although the Government is committed to going ahead with the project, critical aspects of it are still unclear —not only to the public, but apparently to the Government itself.

These so far undecided "details" — which range from the type and number of missiles to be bought from the U.S. to the size of the submarines to be built in Britain — could bump the cost well above the stated £5bn.

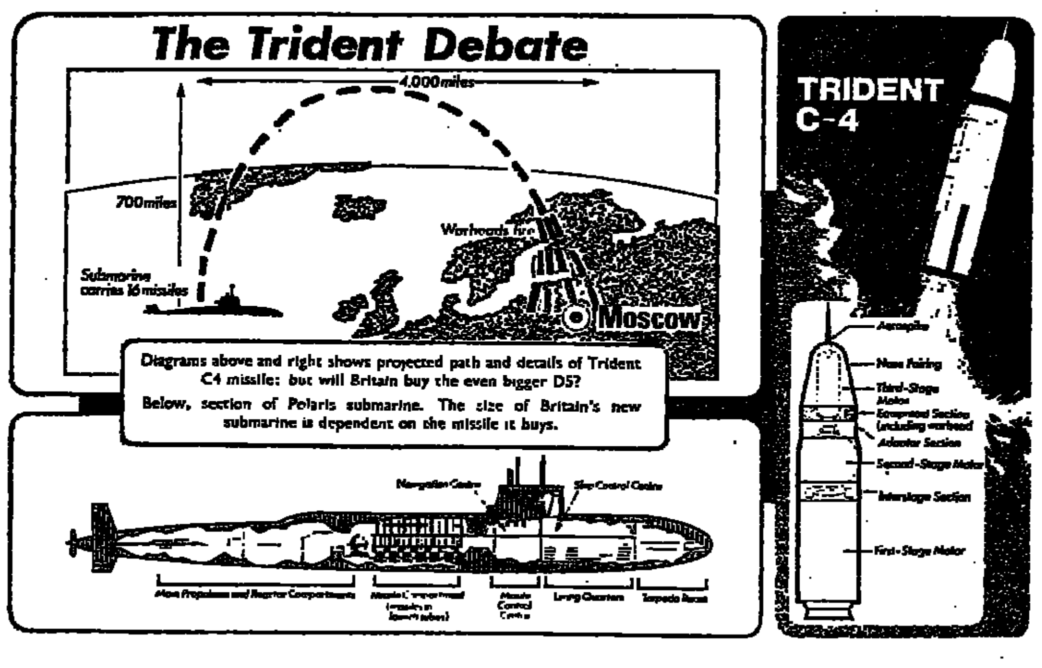
Successive British governments have endorsed the independent nuclear deterrent because it creates a "second decision-making centre" in the Nato alliance. As last year's special document on Trident put it (The Future UK Strategic Deterrent Force—DOGD 80/23, July 1980): without a British deterrent, "A Soviet leadership, perhaps much changed in character from today's . . . might believe that it could impose its will on Europe by military force without becoming involved in strategic nuclear war with the U.S."

Behinds such statements are some largely unspoken thoughts. One is that Britain does not actually trust the U.S. to fulfil its commitents to Europe. Another is the belief that the deterrent reinforces national sovereignty and increases influence — provides "a seat at the top table."

Today, too, Ministers would add that with the marked rise in Soviet military capability and the increase in tension in the Western alliance itself, now is not the time for Britain to change course.

It is also sometimes forgotten that, early in the Second World War, Britain was the leader in atom bomb research. "It never seriously occurred to the responsible British politicians and officials that any special rationale was needed to justify staying in the business," writes Dr Lawrence Freedman of the Royal Institute for International Affairs in his recent book Britain and Nuclear Weapons (Macmillan 1980).

In the final article of a series on Britain's defences, BRIDGET BLOOM looks at the debate on the Trident, which may replace the Polaris submarine-launched missile system and escape the Government's proposed defence spending cuts, althouth its final cost is still in doubt



Diagrams above and right shows projected path and details of Trident C4 missile: but will Britain buy the even bigger D5? Below, section of Polaris submarine. The size of Britain's new submarine is dependent on the missile it buys.

Mr Harold Macmillan decided to opt for Polaris in 1962 not just because it was the latest U.S. weapons system but because he was offered an exceptionally good deal by President Kennedy.

As with Trident, the UK bought the missiles and the warhead technology from the U.S. and built the submarines itself. The capital cost of Polaris was originally estimated at £350m, and it overran by less than £10m.

The cost of maintaining the nuclear deterrent is only 2 per cent of the annual defence budget. Not surprisingly the Ministry of Defence is biased in favour of the Trident, the direct replacement for Polaris.

The cases for and against Trident will be aired again this month when the House of Commons Select Committee on Defence publishes its report on the project. None of its 11 members disputes the need for Britain to maintain its own deterrent, but the minority Labour group opposes Trident principally on the grounds that the money would be better spent elsewhere in the defence budget.

The government's main reason for choosing Trident is that a submarine-launched ballistic missile system is more secure than the main alternative of air- or ground-launched cruise missiles. And if the current system is to be replaced officials argue, decisions must be made now so that orders can be placed.

Those who argue for a British deterrent but against Trident tend, like Dr. David Owen, the former Foreign Secretary, to propose an increase in the nuclear-powered submarine fleet which would eventually take improved cruise missiles.

The Trident deal, announced by Mr Francis Pym, former Defence Secretary, last July envisaged:

- A four-boat force costing, at July 1980 prices, £4.5-5bn (a fifth boat, now dropped, would cost £600m more).
- Each submarine would be equipped with up to16 Trident 1 (C4) missiles designed to carry up to eight independently targetable warheads (at full complement the Trident fleet would thus have 384 warheads, against Polaris's 144).
- Capital cost would absorb on average about 3 per cent of total defence budget annually through 1980-85, with peak spending in 1985-90.
- Seventy per cent would be spent in the UK, mainly on submarine hulls and ship fittings, shore construction, including missile storage, and warheads.
- Thirty per cent would be spent in the U.S. on missiles, launchers, navigation and fire control systems and tactical weapons, including torpedoes.

Three main areas of uncertainty, apparent in outline from the beginning, have been given added weight by evidence to the Select CVommittee in nearly a year of hearings.

At the centre of the doubts is the Trident missile which Britain has agreed to buy from the U.S. The Government may well decide, in order to ensure a longer life for the new system, that it must build submarines which are also capable of taking the Trident 2 or D5 missile. Since the D5 needs a bigger launcher (45 ft against 34 ft), this could mean that rather than building British submarines of 10-12,000 ton as planned, much larger vessels—possibly up to 18,000 tons—will be needed.

The missile issue presents a dilemma. The Trident 1 is already deployed by the U.S. Navy. The Trident 2 is still on the drawing board. And although the Reagan Administration will probably go for the D5 missile, it may not decide for two years.

But if the U.S. does choose the D5, it will rapidly phase out the C4 production line and those submarines carrying the C4.

By the time Britain's new submarines are operational in the mid-1990s (with a life expectancy of 25 years) the new system could already be outdated.

Other areas, also highlighted by the Select Committee's hearings, put current costings in doubt.

The first is whether the Atomic Energy Research Establishment at Aldermaston will be able to cope with building warheads for the Trident missiles. Experience with modernisation of the existing Polaris missiles under the Chevlane programme —designed to improve the missile's penetration of Soviet defences—has shown that costs can get out of hand in this area.

Then there is the big question of infrastructure for the Trident programme.

There is only one yard—Vickers, at Barrow in Furness —which can build the submarines, but it is not clear what percentage of the estimated £180m needed to expand the facilities would be met by the Ministry of Defence.

Neither is it clear what it would cost to restore a submarine-building capacity to Cammell Laird which, it seems to be agreed, would have to take on the existing SSN (nuclear-powered submarine) programme which Vickers would have to abandon.

Last, there is the question of Coulport, the maintenance and storage depot near the Polaris base of Faslane in Scotland. It would have to be made seven times bigger to accommodate both Polaris and Trident in parallel for possibly 15 years.

British officials urge a decision this year to meet long lead times on new orders. Mrs Thatcher is believed particularly keen to have a rapid decision.

Certainly until a decision is made any estimate of the cost of Trident can be only the roughest guess.

It is these uncertainties which throw doubt on the Government's £5bn estimate, which lead experts to believe that a higher cost is inevitable.

Mr. David Greenwood, director of Aberdeen University's Centre for Defence Studies, was among the first to suggest that if planned expenditure on Trident went ahead a big review of other defence spending, such as that now taking place, would be inevitable.

Mr Greenwood has recently revised his earlier calculations —which put the cost in mid-1980 prices at £5.5bn-6bn—in the light of the new Select Committee and other evidence. He concludes that the capital cost of Trident, even on mid-1980 prices, is now more likely to be £6.5-7bn.

In today's money, that is nearly £8bn. As Mr Nott said, money spent on Trident is not money that can be spent on anything else.


Six months in exporting can be a very long time.

Call for resistance to steel cuts

BY ALAN PIKE

THE GOVERNMENT should resist any EEC moves to reduce Britain's steel making capacity further. The Commons Industry and Trade Committee urges this in a report published yesterday.

The committee says ministers must remind their Community partners at every opportunity that Britain has already borne more than its fair share of capacity reductions, and expects proportionate cuts to be made by other EEC steel industries.

The committee also warns that the elimination of subsidies to European steel producers — which both the British Government and the EEC want to achieve by 1983 —may result in the continuation of indirect subsidies, like cheap coking coal and transport, leaving British steel producers at a disadvantage.

In its report on the effects of the British Steel Corporation's new corporate plan which was approved by the Government earlier this year, the committee accepts the decision to continue funding BSC.

"The national interest undoubtedly requires an efficient and viable steelmaking industry —both public and private — to supply the majority of the domestic market."

The committee emphasises, however, that it agrees with the view of Mr Ian MacGregor, BSC chairman, that the plan is optimistic. The MPs say they cannot overlook the fact that most forecasts made by BSC in the past 10 years have been wildly inaccurate.

"Doubts may remain about the realism of the present proposals, but we have been impressed by the vigour and determination shown by the present chairman in his efforts to make the corporation viable."

The plan, which will involve at least 20,000 redundancies this year, is aimed at maintaining the BSC's manned steelmaking capacity at 14.4m tonnes per year. Mr MacGregor will give a progress report on the operation of the plan to Sir Keith Joseph, Industry Secretary, next month.

A more comprehensive BSC plan is to be presented by the corporation to the Government later this year. The committee says in its report that it will want to scrutinise that plan, and to see how it relates to the present plan for which such large amounts of public funds have been provided.

In spite of the large amount of public money committed to the BSC, the committe identifies a need for further investment in, for example, continuous casting equipment and new rolling mills.

"The Government should take account of these needs within the overall external financing limits over the next two to three years, in much the same way as, in a different context, it has seen fit to support BL's programme of developing new models to compete effectively in international markets," it says.

The BSC's external financing limit for the present financial year is £730m. The committee warns, however, that unless the ambitious targets of the plan are met, it is possible that either the limit will prove insufficient or the corporation will need to take draconian measures to contain its operating losses.

In an examination of the effects of joint ventures between BSC and the private sector, the committee says that while this approach is likely to support the industry as a whole there is an inevitable discriminatory element.

"Both profitable and unprofitable private sector enterprises in the steel industry whose products do not fall within the ambit of the joint ventures are excluded from assistance. Indeed, to the extent that the assistance aids the less profitable (and perhaps less efficient) producers it may hamper the more efficient ones who do not have acccess to comparable state aids."

Threat over Times Newspapers recedes

By John Lloyd, Labour Correspondent

THE THREAT to the future of Times Newspapers receded yesterday. The union at the centre of a dispute which cost the Sunday Times a third of its print run last weekend has agreed to abide by the dispute procedure.

Mr. Rupert Murdoch, chairman of News International, had warned earlier this week that both The Times and The Sunday Times would close if normal working were not resumed.

The Society of Graphical and Allied Trades (Sogat), whose 300 members walked out early last Sunday morning causing the loss of 400,000 copies, is to hold talks with the Sunday Times on an increased payment to some of its members to bring them in line with new rates offered to other print workers.

A brief statement, signed by Mr. John Collier, joint general manager of Times Newspapers, and Mr. George Willoughby, secretary of Sogat's Central London branch, says that the union guarantees full normal working and compliance with the disputes procedure, and that "no hostile action will be taken by either side whilst the procedural agreement (disputes procedure) is being implemented."

The talks next week will centre round Sogat's claim for equal treatment with members of the National Society of Operative Printers, Graphical and Media Personnel (Natsopa), who have been offered a rate of 87.5 per cent of the print craftsmen's pay.

Some 36 Natsopa brake hands will, under the offer, receive this new rate, while the remainder will receive 80 per cent of the craftsmen's rate.

Because nine of the brake hands work in the publishing area beside Sogat members, the increase—of £5.61 a shift —was bond to stimulate a demand for parity.

TUC will back moves to extend jobs campaign

BY JOHN LLOYD, LABOUR CORRESPONDENT

THE TUC will back a major extension of the campaign against unemployment, building on the apparent success of the People's March for Jobs.

The new initiatives, agreed in outline yesterday by the TUC's powerful economic committee, include:

- The chartering of at least one special train to carry leading trade unionists and representatives of the unemployed to some of the country's industrial centres, where rallies against unemployment would be staged.
- A rally of youth, including political speeches, rock music and sports event, together with a lobby of Parliament.
- The launching of a Plan for the Reconstruction of Britain, a popular version of its Plan for Growth published earlier this year, with the accent on the creation of 440,000 jobs through large-scale construction projects.

The TUC's aim is to involve a wide range of organisations in these initiatives, which are expected to be mounted in the autumn before the congress in September.

Both the youth rally and the push for the construction projects have been mooted before. The train trips—already titled the Jobs Express—originated from an idea put to the committee yesterday by Mr Sidney Weighell, the general secretary of the National Union of Railwayman, and are a new concept.

The proposal is for 1,000 officials and unemployed workers to begin train journeys —possibly from Jarrow in the North-east and from Glasgow— and to stop off at centres like Darlington, York and Peterborough, ending in London.

At each of these centres demonstrations would be organised to coincide with their arrival. One of the stops is likely to be the Prime Minister's home town of Grantham.

The plan for reconstruction, which will be issued in pamphlet form in time for congress, will link big projects like railway electrification, city sewerage renewal, housing and hospital building with the concept of creating more jobs.

TUC officials have little hope of persuading the Government to back many of the projects. But they are concerned to put up ideas to which a future Labour Government might commit itself.

The economic committee endorsed the work done by the TUC-Labour Party liaison committee on agreeing a draft "national understanding" between the two wings of the Labour movement. The draft will be amended for expected agreement by the next liaison committee meeting later this month.

Ford fears motor jobs setback if Nissan plant imports its parts

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

FORD HAS warned the Government that up to 50,000 jobs could be lost in the UK motor industry if Nissan of Japan is allowed to set up a car assembly plant in Britain without being held to very strict conditions on the use of local components.

Ford estimates that at best the Nissan project, destined to employ 4,000 if it goes ahead, would result only in a net breakeven for British employment.

Mr Sam Toy, chairman of Ford of Britain, said yesterday the vital element in deciding whether Nissan's arrival would benefit the British economy was the level of European components—preferably British—to be used in the Datsun cars to be made here.

Ford says that level should be at least 80 per cent by weight —not by value—and any agreement on local content should be able to be monitored closely by the British Government.

Without any strict commitment on the part of Nissan, many small and medium sized British component makers would go to the wall, Mr Toy suggested. "If I was in the component industry at the moment I would be terrified."

If Nissan were permitted to import low cost components the UK based manufacturers—Ford, BL, Talbot and Vauxhall—would have to follow suit to remain competitive, he said. This would create a domino effect in the British components industry.

Last year Ford purchased 82.9 per cent of the bought-in components used in its British assembled cars from UK suppliers, Mr Toy added.

Inward investment to Europe by Japanese motor companies was inevitable, but "must be genuine and not the very minimum investment.

"If Nissan comes to Europe it is in the interests of Britian that it comes to Britain—but on the right conditions."

Mr Toy also revealed that Ford is much less pessimistic than earlier about total UK new car sales this year. In January the company was forecasting a market of 1.406m. Now it looks to 1.41m, "and in two months' time we might well be up to a forecast of 1.475m — not far from last year's 1.51m market."

The reasons seemed to be that disposable income in Britain had not declined to the extent the general recession might have indicated, and many fleet buyers had overcome their cash-flow problem and had gone back to their normal reordering patterns.

In spite of the comparative buoyancy of the market, however, Ford could not meet its January sales targets either in volume or market share, said Mr Toy. Supply problems over the first five months had made this impossible.

Ford now expects to sell 430,000 to 450,000 new cars for a 30 to 33 per cent market share this year, compared with the target of 495,000 cars and a 33 to 35 per cent share. For 1982 Ford's current prediction is that the market will reach 1.5m and that might go up to 1.55m.

Government blamed for untidiness in Britain

By Maurice Samuelson

THERE IS too much rubbish cluttering up the country, in spite of well-meaning calls for a tidy Britain — and it is partly the fault of successive Governments.

This is the view of Sir Derek Ezra, chairman of the National Coal Board. He speaks not just as an indignant private citizen but in his lesser-known capacity as chairman of the Keep Britain Tidy Group, the national agency for litter abatement supported by Government, industry and commerce to the tune of £½m a year.

With the royal wedding turning the world's eyes to this sceptred isle, Sir Derek and his colleagues are very conscious of their mission to rid its towns and countryside of the detritus of the consumer society.

But the group's efforts, first begun 12 years ago, are "hamstrung" by successive Governments' refusal to enforce part of the 1974 Control of Pollution Act, says Sir Derek. Section 24 of the Act empowers the Government to order local authorities to publish a plan on how they would attack litter in their territory. The man who could do this today is Mr Giles Shaw, under-secretary at the Environment Department.

But since such campaigns would inevitably involve some additional public spending Governments have always given a financial excuse for not issuing the necessary ministerial directive, and putting the responsibility back on to the shoulders of the group which Sir Derek has headed since 1979. Mrs Thatcher's Government is no more likely than its predecessors to start wielding the broom.

Sir Derek has no intention of ceasing to remind central government of its responsibility. Nevertheless, he reports progress in the group's multi-pronged campaign.

Local authorities, for example, are encouraged to send officers to attend special courses on litter abatement organised by the Keep Britain Tidy Group from its headquarters at Brighton. Major industries and companies include tidiness as a theme in advertising and among their employees and customers.

Kits have been distributed throughout the country to teachers of children aged three to 11. They are so successful that they have been snapped up eagerly by West Germany and Holland. Kits are being devised for older pupils.

Companies are also asked to make modest donations to the campaign (half the yearly budget comes from non-government sources).

Scottish ambulance staff strike without warning over pay

BY JOHN LLOYD, LABOUR CORRESPONDENT

AMBULANCE COVER in Glasgow and Argyll was withdrawn without warning yesterday as the first action in a spreading campaign by ambulance workers against the Government's 6 per cent pay offer.

It is expected that more of Scotland will be hit today.

The uncompromising policy in Scotland of strikes without emergency cover adopted against the advice of national union leaders, is in the hands of a working party of union officials and shop stewards, who will announce the areas to go on 24-hour strike shortly before the strikes begin.

Strathclyde police had dealt with over 80 emergency calls by early evening yesterday, and said they were "coping adequately." The police said it was fortunate there were no big accidents.

The Glasgow ambulance service said last night it expected further stoppages in the days ahead. It had no plans for calling in the army.

Mr John Elliott, a district official of the Transport and General Workers Union—the main union for Scottish ambulance workers—said the campaign showed the depth of feeling against the offer. "Our members intend to continue the campaign until the Government come back to the table with an improved offer," he said.

The Department of Health and Social Security said yesterday that most ambulance authorities had told the department they could maintain an emergency service without calling on assistance from the Government.

The DHSS told ambulance authorities the use of troops was a matter for the Government to decide. They would not be used until the services of the police force, and of voluntary agencies, had proved to be inadequate.

The Government warned the authorities that they would have to pay for services provided by the police and the armed forces, including the costs of preparing for emergency cover.

Ambulance workers in Northern Ireland decided yesterday to back the official strike next Wednesday, and to abide by the decision to provide emergency cover. However, they have also threatened unofficial stoppages without cover.

- Mr Petrick Jenkin, the Social Services Secretary, told representatives of the country's 480,000 nurses that their 6 per cent pay offer could not be improved.

Mr David Williams, the nurses' chief negotiator, said the three nurses' unions would consult their members on strategy before the next meeting with the Health Service management on July 15.

Award scheme for footwear industry

BY JAMES McDONALD

AN AWARD scheme aimed at increasing the competitiveness of the British footwear industry was launched in London yesterday by Mr. Kenneth Baker, Minister of State for Industry and Information Technology.

The British Footwear Marketing Award, which has been put forward through industry's economic development committee, is intended to emphasise the benefits which come from good marketing practices and to encourage improved marketing by UK footwear companies in both the manufacturing and distributing sectors.

The scheme would offer three awards each year. It is intended to give "tangible benefits and valuable publicity" to the winning company, said Mr Spencer Crookenden, chairman of the footwear economic development committee.

The first award would be for export marketing achievement, the second for UK marketing by branded companies, and the third for joint marketing achievement at home or abroad by manufacturers working with retailers. The first awards will be made next January.

The sponsors of the scheme are: the British Footwear Manufacturers Federation, the British Shoe Corporation, Clarks, and the National Economic Development Office.

In recent years UK home sales of footwear have been declining and imports growing. The manufacturers' export performance has been relatively weak. In its 1980 programme, the industry's economic development committee identified improved marketing by British footwear companies as an essential ingredient in its strategy for promoting the long-term prosperity of the industry.

Council workers to fight budget cuts

BY PAULINE CLARK, LABOUR STAFF

LEADERS of 500,000 council workers yesterday decided to fight the Government over its attitude towards local authorities.

The call went out from the annual conference of the National and Local Government Officers' Association at Blackpool for increasing industrial action and a united front of unions, councils and Labour Party to challenge government threats to penalise councils considered profligate spenders.

Action will start in Scotland. A token strike has already taken place in Lothian, which is to have its spending cut by £53m —a third of its budget.

Scottish Nalgo representatives launched a biting attack on the decision by Mr George Younger, Scottish Secretary, to threaten six of Scotland's councils with punitive measures if they do not curb their spending. The union believes the move threatens thousands of jobs in Scotland.

Nalgo fears that Mr Michael Heseltine, Environment Secretary, will take similar action against English and Welsh councils who do not toe the Government's public spending line.

He has told councils that if they do not revise their budgets by July they face losing £450m in grants.

The union said its "number one priority" would be to fight government policies on spending by local authorities in England, Wales and Scotland immediately after its conference ends this week.

Mr Jim White, chairman of Nalgo's Scottish district local government committee, described Mr Younger's decision as "a most horrendous piece of legislation" which destroyed the ability of local authorities to take vital decisions.

The conference approved a change of rules which will allow branches to conduct their own ballots on action without having to make initial reference to the union's emergency committee.

Eagle Star staff to join Bifu

By Nick Garnett, Labour Staff

MEMBERS of the staff association at the Eagle Star insurance company have voted to merge with the TUC-affiliated Banking, Insurance and Finance Union.

The ballot decision will add about 6,000 members to the current claimed Bifu membership of some 140,000. The union has had considerable success in enlarging the size of its insurance industry membership and is in negotiations with staff associations at other insurance companies.

Members of Eagle Star's staff association voted 3,086 to 1,811 in favour of a transfer of engagements.

It is understood that a separate ballot of senior Eagle Star staff is taking place to test whether they wish to follow the decision or to stay within some form of internal union set-up.

The Federation of London Clearing Bank Employers has re-started discussions on procedure arrangements it hopes to agree with Bifu and with the rival Clearing Bank Union. The federation is almost certain to offer a new set of procedure proposals.

Bids and deals, Page 24

Perkins offer up

THE PERKINS diesel engine company improved the offer of pay and conditions to their 6,000 production workers yesterday, to try to avert a strike at their Peterborough plant.

Trade union negotiators, who have already rejected proposals for a six-month pay freeze, want £25 a week more but the company offered £6.

£32m contracts for North Sea oil rig awarded

By Martin Dickson.

CONTRACTS worth £32m have been awarded to Redpath Engineering and Cleveland Offshore, both of Middlesbrough, for making equipment for the "B" platform on the North Sea's Beryl oil field.

Mobil, the operator for Beryl, said yesterday that Redpath had been awarded a contract worth about £16m to build and outfit the platform's accommodation modules and helicopter landing deck and to construct turbine exhaust facilities.

Cleveland has been awarded a contract, also worth about £16m, for the fabrication and outfitting of the upper production and drilling decks, crane pedestals and turbine exhaust piping.

Work on both contracts is scheduled for completion by early 1983.

Law Society asks for mortgage relief change

BY A. H. HERMANN, LEGAL CORRESPONDENT

THE LAW SOCIETY is urging that the upper limit for mortgages eligible for tax relief should be doubled from £25,000 to £50,000.

In a memorandum submitted to the Treasury and published today the Law Society also complains of the obscure drafting of the Finance Bill and suggests some changes.

It points out that there are still many people with mortgages over £25,000 incurred before 1974 who were given relief until 1983. These people are now uncertain about the future intention of the Government.

The Law Society recommends that an early statement should clarify whether the Government intends to make any changes in the £25,000 limit. In the Law Society's view it should be doubled to keep in step with the increase in house prices since 1974.

The Law Society also has grave doubts about the Business Start-up Scheme. It welcomes the proposed relief for investment in new corporate trades but doubts whether it will have the desired results. The difficulty of introducing suitable businesses and investors may not be overcome in the three-year life of the scheme.

The 30 per cent limit on investment is likely to inhibit investors because it will prevent them assuming control. The Law Society also says that the rules are extremely complicated, enabling the relief to be withdrawn as a result of events beyond the investor's control.

Protest strike plan ready in gas industry

By Our Labour Editor

CONTINGENCY PLANS have been drawn up for protest strikes in the gas industry if the Government approves large-scale "privatisation."

This was disclosed yesterday by Mr John Edmonds, national industrial officer of the main gas workers' union, the General and Municipal. He told the union's annual conference in Brighton that unions would use their "enormous power" in concert if their industry was subjected to "doctrinaire attack."

A Cabinet committee met yesterday to discuss the Monopolies Commission report on the gas industry. This suggested a ban on the sale of gas appliances by the British Gas Corporation—which could mean the closure of 900 showrooms— or restrictions on its sales.

P & O officers continue action, seamen lift threat

BY OUR LABOUR CORRESPONDENT

NEGOTIATORS for the Merchant Navy and Airline Officers Association decided yesterday not to lift industrial action against deep sea ships operated by P & O after talks with the company yesterday.

The company's 51 general cargo ships have been progressively halted in the dispute over the threatened sale of our refrigeration ships. Officers on about half of the company's general cargo fleet have so far been told by the union to stop duties.

The National Union of Seamen said yesterday, however, that it was calling off its threatened action against P & O following a meeting with management.

The union said the company had satisfied NUS negotiators on general employment prospects for ratings and future employment policies of the company.

Earlier this week the company sent a telex withdrawing the June 14 deadline for the sale of the four ship.s

However, the officers' association said yesterday, that this appeared to be only a temporary withdrawal. "We will not call it off until we are sure the company is not pulling the wool over our eyes," said Mr. Eric Nevin, the association's general secretary.

The company had been intending to sell the ships to a foreign operator and then to lease them back.

During yesterday's talks, the company provided further information about the operating costs of the four ships. The union undertook to study those and other figures and to meet the company again as soon as possible.

Toyota agreement will help Lotus steer towards a more secure future

John Griffiths examines the benefits of selling car-making technology

LOTUS's venture into a long-term collaboration agreement with Toyota of Japan is potentially the most significant step by the company since its chairman, Mr Colin Chapman, decided to move it out of the kit car market and into the luxury sporting sector in the early 1970s.

It will, Mr Chapman says, be some time—probably two years at least—before tangible results are achieved. But it provides the Norfolk-based company with an opportunity to secure its long-term future.

The most definite project — still to be finalised — is for Toyota to provide its 1.6 and two litre overhead camshaft engines for a "cheaper" Lotus which will appear in the mid-1990s. Toyota may also supply the gearbox.

Mr Mike Kimberley, managing director, who signed the agreement in Tokyo two weeks ago, stresses that it is an agreement in principle. Lotus is still evaluating the engines and Toyota has been examining Lotus's products.

The new Lotus is aimed to sell at £10,000 or less, at current prices, and take Lotus back into a higher volume market. Its cheapest model at present, the Esprit, costs more than £13,000.

Two years ago Lotus was producing 1,200 cars a year. In 1980, hit by the recession and the strength of sterling, it built about 450.

The new car is expected to be produced at a rate of up to 5,000 a year. The cost of the engine will be much less than the one in the present 2.2 litre range which Lotus makes itself. (The Lotus has probably the highest single "in house" content of any British car—about 68 per cent). The cost of developing the new engine for the cheaper car would almost certainly be beyond the company's resources.

The Toyota agreement to cooperate in engineering, manufacturing and other areas, is the most promising development yet of Lotus's strategy to move away from being entirely dependent on the vagaries of the new car market.

Three years ago Mr Chapman reached a similar conclusion to that of Porsche: the company had a great deal of technical expertise and strong research and development. So why not market it to other companies?

Porsche, in particular, has been successful in this field. About 25 per cent of its turnover is now accounted for by its Weissach research centre. BMW, Aston Martin and other manufacturers also see selling research and development as a route, if not to salvation, then at least to extra revenue.

All share the view that far from this leading to fierce infighting for business, the volume manufacturers are under such pressures from rationalising production and achieving economies of scale that they will be more than happy to offload increasing amounts of technology development to the specialists.

Certainly for Lotus, the strategy is working. The company has 11 development contracts—not all of them in the automotive field. Its plastics technology is being applied to submarines, for example.

A contract with De Lorean— to make a roadworthy car out of the concept dreamed up by Mr John De Lorean for production in Belfast—was among the first, and put fierce pressure on Lotus. The project was completed as Mr Kimberley puts it, "from soup to nuts" in 27 months—a time-scale to make volume manufacturers blanch.

The De Lorean contract is in its final stages, with perhaps three months to run. Lotus does not know whether it will be invited to help develop the planned De Lorean saloon, although De Lorean's decision to set up an engineering centre in the Midlands makes this appear less likely.

The contract has helped push Lotus's turnover from its technology "wholesaling" to about 50 per cent of the total. Lotus concedes that without this extra revenue the financial results for 1980, expected to be published in a few weeks, would look much worse. As it is, the company is likely to break even. In the boom year of 1979 its pre-tax profits were £1.3m.

Exports to the U.S. have fallen to a trickle. Two years ago 70 per cent of output was exported, but this has fallen to 40 per cent.

Part of the reason for the fall in American sales was that Lotus was reorganising its distribution system there. It wound up its own dealer network and opted for the cars to be sold alongside Rolls-Royce. The other reason was that sterling rose more than 40 per cent in two years. Lotus, unable to cushion the effects, was obliged to lift its U.S. prices in line with the rise in the pound. Sales were hit as a result. Only now are they picking up with the pound's lates slide.

Lotus is building about 35 cars a month an dinventory levels have been cut from 60 days to 45. Another hopeful sign is that the company is well into paying back the £2m loan put up by American Express in 1977.

Mr Chapman still wants Lotus to remain primarily a maker of specialist sports cars, although a 50-50 revenue split between contract work and its own cars is regarded as the correct mix for the long term. He stresses that, despite the Toyota link, Lotus intends to remain independent.

Quite where the Toyota connections will lead apart from the development of the new car, remains obscure. But Mr Chapman says he has no objection in principle to the appearance of a Toyota Lotus, in the same way as Lotus has collaborated with Ford and Talbot, for example, to produce hybrid sporting saloons.

For Toyota the Lotus connection should prove a useful development. Firstly, a small organisation such as Lotus has a much faster response than a volume maker and the big companies are finding it increasingly difficult to carry out all their own technological developments. Secondly, Lotus has specific expertise in plastics— Peugeot said recently that 40 per cent of its external body parts could be plastic in five years—engine development, handling and aerodynamics.

Lotus sees the agreement as a useful way of gaining access to the Japanese market. Last year it sold 60 cars there.

UK NEWS — PARLIAMENT and POLITICS

The stately semi and a kitchenful of hot tips

By John Hunt, Parliamentary Correspondent

IN the absence of any major Government legislation, the question of human rights seemed to be the main concern of MPs and peers yesterday. The Lords, having dealt with social inequalities a few weeks ago, were debating racial and sexual discrimination.

In the Commons, however, MPs concentrated on more limited instances of abuse. Mr David Stoddart (Lab., Swindon) argued that local authorities should not be allowed to sell council houses which were of unique historical and architectural interest.

Surprisingly, it turned out that there are a few such dwellings. This conjured up a picture of Mr and Mrs Bloggs greeting an eager queue of tourists outside their semi-detached on Sunday morning.

"Note the massive ceramic fittings in the bathroom circa 1925. Please mind your head as you enter the coal cellar."

These aesthetic matters dispensed with, the House listened to Mr George Robertson (Lab., Hamilton) exposing squalid financial shenanigans surrounding "the trone." ...

For those unfamiliar with the term, "the trone" is the kitty into which tips and service charges in restaurants and hotels are paid and later shared out among the staff.

At least, that is the theory. But, human nature being what it is, these little hoards become the centre of all sorts of envious manoeuvres and, according to Mr Robertson, much of the money never finds its way into the pockets of the staff.

"There is scope for the most inspired fiddling and ripping off at every stage," protested Mr Robertson, a former official of the Hotel and Catering Workers Union.

He pointed out that even at a Fawlty Towers type of hotel customers will be landed with a 10 or 12½ per cent service charge for the pleasure of having soup poured over their heads and spaghetti dumped in their laps. Many holidaymakers will sympathise with his description of the service charge as "coerced generosity."

After this poignant presentation not a single voice was raised against his ten minute rule Bill which would make the service charge the legal property of the staff.

There is, of course, another side of the picture with hotel and restaurant workers pocketing tips rather than paying them into the kitty. In the old days it was always the unfortunate waitresses who were caught out because they invariably concealed the money in their shoes on the mistaken assumption that this was the last place the manager would think of looking.

But perhaps there will be an opportunity to discuss this example of gross sex discrimination today when the Commons debates the rights, status and opportunities of women.

Rees in row over stand on tax avoidance

BY IVOR OWEN

MR PETER REES, Treasury Minister of State, is at the centre of a new political storm over the Government's attitude to tax avoidance schemes.

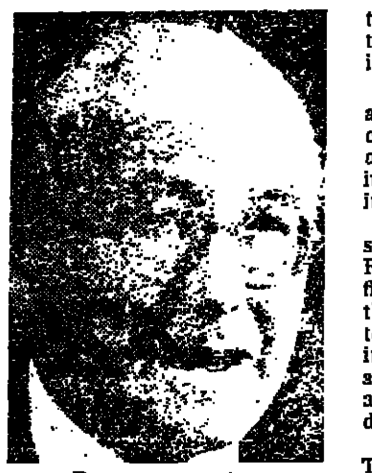
He angered Labour MPs yesterday by refusing to join with them in condemning the Vestey family for taking advantage of avoidance devices which have enabled them to enjoy large tax free incomes in the UK.

Bitter protests from the Opposition benches resulted in the Commons standing committee considering the Finance Bill in session for nearly 10 hours.

Labour MPs repeatedly contrasted the Government's approach to the Vestey case with the vigorous campaign mounted by ministers to stamp out abuses of the social security system by those at the bottom end of the incomes scale.

But an unrepentant Mr. Rees insisted "I'm simply not here to moralise to this particular committee."

He said he knew of no basis whatever for assertions that the



Rees: unrepentant

Inland Revenue had been deprived of tax amounting to £1lm as a result of the Vestey family placing its wealth in overseas trust funds designed to provide them with an income not subject to UK tax.

Mr. Jack Straw, a Labour spokesman on Treasury affairs, described the minister's refusal to pass any moral judgment on the Vestey family as "astonishing."

He maintained that the new anti-avoidance provisions included in the Bill, as a result of the House of Lords judgment in the Vestey case, were inadequate.

An Opposition amendment seeking to give the Inland Revenue power to tax the beneficiaries of the Vestey trusts to the full extent of the income to which they were entitled irrespective of whether they actually received the full amount of money due was defeated by 16 votes to 12.

Mr. Ian Wrigglesworth (SDP, Teesside, Thornaby) joined with Labour MPs in voting against the Government.

He challenged the Minister to say whether he thought it right for people to be able to use tax avoidance devices in a way which enabled them to escape liability for British tax altogether.

Mr. Rees replied: "This goes to the root of the question. How

Straw: astonished

far is a person entitled to adjust his affairs to mitigate the incidents of tax?" While Labour MPs could debate the issue in terms of high morality if they wished, he was concerned with the "practical problems of ensuring the proper collection of tax through an effective tax system which bore evenly on the country as a whole."

Defending the action taken by the Government as a result of the Lords' judgment, he declared: "This is not a Vestey confiscation clause.

"I certainly would not put my name to any such clause."

The Minister admitted that as the Lords' judgment was delivered in November 1979, it might have been possible to deal with the issues raised in last year's Finance Bill.

But complex and difficult drafting considerations had been involved and by waiting for the 1981 Bill it had been possible to ensure that the right decisions had been made.

Mr. Straw contended that the provision introduced by the Government amounted to the minimum possible action that could be taken.

He suggested that this was due to the fact that some ministers had been so accustomed to playing the role of poacher in the field of tax collection that they now found it difficult to turn to the role of gamekeeper.

Council spending checks not blackmail, says Heseltine

BY IVOR OWEN

NEW CHECKS on the spending plans of local councils planned by the Government do not amount to "blackmail," Mr Michael Heseltine, Environment Secretary, maintained in the Commons yesterday.

He joined with Mr Tom King, the Minister for Local Government, in accusing Labour MPs of exaggerating the importance of proposals for monitoring inflation budgeting which have been the subject of consultations with local authority associations prior to inclusion in a circular.

Mr Gerald Kaufman, Labour's Shadow Environment Minister, said the Government intended to include a "disgraceful paragraph" in the circular which would enable it to send in special auditors to check the inflationary assumptions of local authorities.

At the heart of the controversy is the fact that 435 of the 456 councils in England and Wales have included an inflation provision in their budgets higher than the Government's assumption of 6 per cent for pay and 11 per cent for prices.

Amid Labour cheers, Mr Kaufman called on the Ministers to explain under what legal authority they could send a circular to local authorities "threatening to deny them rate support grants unless they send a return by July 31 for which there is no parliamentary authority."

Mr King insisted that it was a "technical circular" intended for local authority treasurers.

"This is not some new draconian step by Mr Heseltine," he declared.

When Mr Heseltine offered this explanation to MPs, Mr Kaufman accused him of treating the House of Commons with contempt.

But the Environment Secretary contended that Mr Kaufman had got the thinking behind the circular quite wrong.

"If you take the trouble to go back to local government and check you will find that the suggestions you are putting are not justified," he said.

Still unconvinced, Mr Kaufman described the circular as "blackmailing local authorities and threatening to deny them rate support grant unless they knuckled down with the Environment Secretary's orders to make a return by July 31."

He said the local authorities did not regard the circular as a technical matter because they were full of deep anxiety about the interference by the Government which it foreshadowed.

Protesting at the growing burden being imposed on ratepayers in the West Midlands by Labour-controlled authorities, Mr. John Butcher (C., Coventry South-West) said people were desperately looking to ministers for some protection.

Mr King emphasised that the responsibility for rate levels rested with the councils concerned. But he viewed "with horror" the impact which the projected increases in the West Midlands would have on commerce and industry in the area.

Earlier, Mr Bruce Douglas-Mann (Lab., Merton, Mitcham and Morden) claimed that research undertaken by Labour MPs showed that there was no positive correlation whatever between high rate increases and loss of jobs.

"On the contrary, there seems to be a negative co-relation, where local public expenditure is high, jobs have remained and continued to rise"

Mr. Heseltine replied that the validity of the research undertaken by Labour MPs would need to be carefully considered.

The conclusions advanced by Mr. Douglas-Mann went against the virtually unanimous advice of the whole of British industry.

Questioned about the proposed consultative document on the replacement of the existing rating system, Mr. Heseltine gave an assurance that it would reflect the view of the Layfield Commission that whoever was responsible for spending money should also be responsible for raising it.

Backbench call to sell more state industries

By Margaret Van Hattem, Lobby Staff

TORY backbenchers are stepping up pressure on the Government to sell off more of the nationalised industries, either by selling shares to the public or by hiving off "peripheral businesses" to the private sector.

More than 100 Conservative MPs have signed an early day motion to this effect, tabled yesterday by six backbenchers including the chairmen of four Conservative backbench committees — Mr Michael Grylls (Industry), Mr William Clark (Finance), Mr John Hannam (Energy) and Mr Anthony Grant (Trade).

Impetus

The impetus for the motion appears to have come from comments made by Mr Philip Shelbourne, chairman of the British National Oil Corporation, to the Treasury and Civil Service select committee on Monday in which he urged more privitisation of BNOC assets.

Sponsors of the early day motion hope their initiative will focus attention on this point at next Wednesday's Cabinet meeting.

They claim sale of up to 50 per cent of BNOC assets could raise £1bn and that up to another £500m could be raised through sales of the British Gas Corporation's oil interests and British Rail's remaining hotels and shipping interests.

This could, they say, be done before the end of the current financial year, or at least before the end of the next session of Parliament.

"There is a great deal of concern on the backbenches over the Government's lack of progress so far," one Tory MP said yesterday.

The motion approves progress made so far in reducing the nationalised industries sector. It calls on the Government to sell shares in other nationalised industries "or where more appropriate, to hive off peripheral businesses, abolish monopoly powers and introduce more competition since it is only in this way that demand on public finance can be significantly reduced, efficiency increased, and costs to consumers minimised."

Israeli raid 'highlights need for international disarmament talks'

BY CHRISTIAN TYLER, LABOUR EDITOR

THE ISRAELI bombing raid on an Iraqi nuclear plant was evidence of the need for urgent international negotiations on non-proliferation of nuclear weapons and disarmament, Mr Michael Foot, Labour Party leader, declared yesterday.

In the course of a passionate speech at the General and Municipal Workers' Union conference in Brighton, Mr Foot—long a supporter of unilateral disarmament—went out of his way to suggest that the arguments between the unilateral and multilateral camps in the Labour movement could and should be reconciled. The issue is prominent in the continuing controversy over the deputy leadership battle.

"I believe a way we can proceed forward will be a combination of trying to secure multilateral and international negotiations, but in certain circumstances to take unilateral action to show we are in earnest." There was no conflict between those positions, he said.

Mr Foot is to publish in the next couple of days the text of his reply to a letter from President Brezhnev of the Soviet Union to him and other Western leaders arguing for further disarmament talks.

Mr Foot would not say, when interviewed afterwards, whether his reply contained any suggestion of a conference of socialist parties in the West. He would only say the text had been drawn up following discussions he had had with leaders of other socialist parties. Those discussions, involving politicians from Belgium, Norway, Denmark, Holland and West Germany, took place durng a Nato meeting three weeks ago.

The Labour leader evoked an enthusiastic response from GMWU delegates. He denounced the Government's support for President Reagan whose policy, he said, seemed to be to ignore the Soviet President's initiative until the U.S. had established nuclear superiority.

That was a 'fatuous policy" and was recognised as such by a growing number of the British people, Mr Foot said.

The strategy outlined by Mr Foot was music to the ears of many of the GMWU delegates who this week approved a major shift of the union's own defence policy that puts it on talking terms with the unilateralists.

Members of the GMWU executive, delighted that Mr Foot had endorsed their position, will argue that the union should table a motion for the Labour Party conference to ease the reconciliation of the unilateral and multilateral views.

Foot hits back at critics of his challenge to Benn

BY CHRISTIAN TYLER, LABOUR EDITOR

MR. MICHAEL FOOT, Labour Party leader, defended himself yesterday against critics of his challenge to Mr. Tony Benn to contest the leadership of the party.

Addressing an enthusiastic audience of rank and file trade unionists, Mr. Foot said it had been claimed he was engaging in a witch hunt against certain sections of the party. That was an absurb proposition, he said.

"It is the first time in history I have heard of that an alleged witch has been invited to stand for the leadership of the party. There is no question of any witch hunt.

"What we wish to do is settle the issue so that we can combine for the most essential fight of all."

Mr. Foot told the General and Municipal Workers Union's conference in Brighton that he was no stranger to controversy but the issue of the deputy leadership was one controversy he wanted brought to an end.

Mr. Benn, he said, appeared to want votes on everything all the time.

"My idea of democratic leadership is different from that advocated in some quarters. I don't think that you can do it using votes all the time. I think when you have voted a leader in you have got to give him a chance to get on with the job." Constant voting impaired the effectiveness of votes already taken.

Five may contest by-election

By Margaret Van Hattem, Lobby Staff

At least five candidates are likely to contest the forthcoming Warrington by-election, expected to be called before the end of this month.

As Mr Roy Jenkins, the best known of the prospective candidates, prepared for his first meeting with the Warrington Social Democrates tonight, the Conservative Party announced it would name its candidate for the seat next Wednesday. Officials said they had received over 15 applications from local members. The Labour Party hopes to name its candidate on June 21.

Mr Neil Chantrell, a local brewer, announced he would contest the seat for the Ecology Party, and Mr Tony Kean, a Manchester barrister, said he would stand for an alternative Social Democratic Party.

Mr Kean — whose two-year-old party has 43 members, and who fought unsuccessfully in the courts to prevent Mr Jenkins' party using the name Social Democratic Party — stood as a Social Democrat in the Glasgow Central by-election last year and won 10 votes.

Attention is currently focused on the selection of the Labour candidate, who starts the race as favourite. Liberals and Social Democrats in Westminster appear to regard Mr Jenkins' campaign primarily as a demonstration of the two party's ability to co-operate, and suggest they will be well placed if he succeeds in halving the 10,274 majority won by Labour at the 1979 election.

● Dr David Owen yesterday warned Labour MPs they risked being dropped by their own party through the new mandatory re-selection process, but they could not expect co-operation from the SDP in any future elections or by-elections unless they joined the new party.

Cheaper air fares 'a top goal'

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

CHEAPER AIR fares in Western Europe remain the goal of the Government and every effort will be made towards achieving this, Lord Trefgarne, Parliamentary Under Secretary at the Department of Trade, told MPs yesterday. He was giving evidence at the first session of the inquiry into cheaper air fares being undertaken by the Commons industry and trade committee.

Lord Trefgarne said that while progress towards cheaper fares is not as fast as the UK wished to see, and while there is no certainty that the UK will get all that it wants, it will nevertheless pursue the matter vigorously.

Cheaper air fares will primarily be sought through the existing methods of bilateral negotiations, and multilateral initiatives where these are possible.

This includes working through the EEC, which has already expressed its own desire to see cheaper air fares throughout Western Europe.

"In the last 12 months, we and our airlines have achieved some modest but useful progress bilaterally and our continuing pressure and activities multilaterally have ensured that air fares are now a live issue in Europe, and particularly in the Community," he said.

"We shall aim to ensure that the maximum possible progress is made during the UK Presidency of the Community in the second half of this year."

The committee is anxious to receive submissions on European air fares matters from all interested parties and asks for submissions in writing from writing from either organisations or individuals by July 1.

The aim of the committee's inquiry is todisc over just how far air fares in Europe are out of line with other fares worldwide, and to suggest possible remedies.

Many independent airlines are expected to submit evidence to the committee on their own plans for cheaper fares. One, Britannia Airways, said yesterday it believed the committee would find air fares were being kept high in order to subsidise the nationalised flag carriers.

Mr. Derek Davison, managing director of Britannia, said yesterday:

"Airlines exist for passengers and not governments. The aim of air transport should first and foremost be to provide a wide and competitively priced service for the traveller. Britannia, and others like us, are waiting for the chance to show it can be done."

Britannia has been pressing for some time for permission to offer a substantial proportion of the seats on its holiday charter flights throughout Europe to scheduled passengers, but has so far been blocked by governments.

Mr. Davison said: "Leisure travel now dominates the air transport market, but leisure travellers are being penalised by unnecessary high fares. Today, throughout Europe, no less less than 70 per cent of all air travellers are flying for leisure reasons, and we are confident from research that this figure will rise to 90 per cent by 1990."

More London motorways urged

BY LYNTON McLAIN

MORE URBAN motorways and all-purpose roads will be essential in London if drastic improvements in traffic conditions are to be achieved, the Royal Automobile Club told a select committee of MPs yesterday.

"Minor alterations to London's out-of-date road system are obviously impractical," the RAC said in evidence to the all-party select committee on transport.

The RAC also wants to see radical interim solutions to ease the immediate problems of traffic congestion. Temporary flyovers at Lord's cricket ground, for example, could ease the problems of congestion at the nearby Swiss Cottage road junction north of the grounds, said Mr A. Greene, the RAC's highway and traffic enugineer.

These solutions and new urban motorways would inevitably be controversial, the RAC said. Adequate legal powers would have to be granted to ensure that the plans are implemented rapidly "i nspite of any obstructive action by anti-road interests," the MPs were told.

The M25 orbital motorway around the capital is the only motorway project now going ahead in the London area, but it is already "years behind schedule," according to the RAC. It wants to ensure that continuing resistance by anti-road groups would not be allowed to delay this strategically important scheme.

Failure to improve the road network around and leading to central London will have serious detrimental effects on its future, the RAC said in its written evidence.

It was "deplorable that decisions have been made to abandon new road schemes which were expected eventually to provide some relief to the congestion which is already causing seriously high accident rates as well as excessive delays to traffic."

Other measures suggested by the RAC include the "abolition of bus lanes where these do not comply with defined criteria and unreasonably impede the movement of other vehicles; additional one way streets, prohibitions on right hand turns, box junctions and clearways free of parked vehicles."

A progressive programme of minor road improvements could also speed up traffic along main routes by increasing their capacity, especially at junctions, the RAC said.

London's transportation had to be regarded as a national problem. The Government had to accept full responsibility, in collaboration with the Greater London Council, to provide solutions.

ADVERTISING & MARKETING

BY MICHAEL THOMPSON-NOEL

Why the Americans bought Buzby

YET ANOTHER British-owned advertising agency has been sold to the U.S. Yet it wasn't for want of wooing that KMP Partnership, which has been bought by Compton Communications, held itself aloof so long, for according to David McClaren, KMP's managing director, the agency has had 13 separate approaches from American, European, and even British-based agencies over the last three years. It is best known for its "Buzby" commercials for British Telecom, and bills £21m.

Whatever the background, the Compton foray emphasises the growing aggression of the U.S. majors and the continued success of the international approach, for KMP was one of the last of the relatively large UK agencies still in independent ownership. It has a strong reputation, plus sumptuous offices in Covent Garden.

Only six of Britain's Top 20 agencies are indigenously owned. The rest belong to daddy. The British-owned agencies are headed by Saatchi and Saatchi, whose billings last year were £83m, which made it joint top in London with the U.S.-owned J. Walter Thompson.

Then came Collett Dickenson Pearce (6th biggest, with £60.9m), Allen Brady & March (10th, £39.12m), Dorland (11th, £38m), Boase Massimi Pollitt (14th, £32.2m) and Geers Cross (19th, £24m). Geers Gross is the only one to own its own U.S. offshoot, and derives more than half its group billing from New York; the figure of £24m relates solely to its UK billings last year.

In short, the combined billings of the six home-owned agencies in the UK Top 20 last year was £277m, against a total of £635m for their 14 U.S.-owned rivals.

KMP is on the fringe of the Top 20. Apart from Buzby, its biggest clients include Gallaher, Carlsberg, Mazda cars, Pentax, the English Tourist Board and Whyte & Mackay whiskey.

Compton, for its part, is the world's 15th biggest agency, with billings last year put at $874m—$385m in the U.S. and $489m outside it. Its biggest U.S. clients include Procter and Gamble, for which it handles 14 brands, together representing around 30 per cent of its U.S. billing, Johnson & Johnson, IBM, U.S. Steel, Cunard, Campari, Sheraton, Kodak, American Motors Jeep and Nestlé.

In effect KMP has exchanged the whole of its equity (owned entirely by its 10-man executive Board) for what is called a "significant shareholding" in Compton. No figures have been disclosed.

Milton Gossett, the Compton chairman and chief executive, said in London this week that Compton's acquisition of KMP would not affect its 19.95 per cent stake in London's Saatchi & Saatchi Compton.

"We will continue to hold shares in the Saatchi Company and will continue to work together, exactly as before, on the clients we now share," said Mr Gossett.

This was also the view at Saatchi's (whose clients include the British Conservative Party, as well as BL and P & G), though there is speculation as to how long the tie can last, particularly as Saatchi has plans of its own for U.S. expansion.

(Compton can ask Saatchi to buy back the Compton stake at any time, either for cash or for Saatchi and Saatchi securities.)

According to KMP this week: "Cash accounts for only a small proportion of the total consideration, given the wish of both companies to establish successful and smooth long-term working relationships. The new arrangement will not involve any change in KMP's present management structure, personnel or methods of operation."

All KMP directors have been given new five-year contracts. Jim Adler, president and managing director of Compton International, and Peter Parsons, the deputy MD, will join the KMP board, while a KMP director will be appointed to the Compton International board.

Trevor Humphries

Going up. KMP chairman Tim Thomas (right) together with the agency's managing director, David McClaren. KMP's sale to Compton Communications of the U.S. has tightened the grip of the U.S. majors on UK advertising.

The KMP MD, David McLaren, says KMP had recognised for some time the advantages that the right kind of international tie-up would bring, and adds that the agency's only two account losses of the last three years had occurred because of lack of such a link.

It had remained sceptical of such a tie-up, but having been 13 times wooed, had concluded that marriage with Compton would offer undeniable opportunity, a complementary blend of skills, and autonomy and independence.

In the view of Tim Thomas, the KMP chairman: "Both agencies have shown strong resurgence in their markets over the last six years, and we both share the same priorities in order to achieve further growth. Both agencies have a selective list of large high-quality clients, and both occupy a similar ranking (Compton No. 19 in the U.S., 15th worldwide, and KMP around No. 20 in the UK)."

Mr Adler says Compton established six basic criteria for purchase of its own UK shop: significant size, creative performance and reputation, a proven management team, established growth (KMP's billings six years ago were just £4m), stable financial management and absence of major conflict with Compton U.S.

KMP emerged the most obvious target. "We discussed operating procedures," says Mr Adler, "and were able to demonstrate to KMP our conviction that for Compton, national agency strengths and identities took precedence over prescribed network uniformity.

"We were able to show them that each of our European offices—be it Dupuy-Compton in France, Compton in Germany or Compton-Italia in Italy — is firstly a national agency and only then a Compton agency. We have a successful track record across Europe and confidently expect KMP to be at least as successful in the UK."

Compton has a majority stake in its French, German, Italian and Spanish agencies, owns all the Danish shop, and has a minority stake in an agency in Holland.

KMP's net gains from new clients or assignments over the past year total £4.5m on an annualised basis, though it is Compton's hope that it will now be involved, to a much larger degree, in transantional and pan-European business. For its own part, Compton is looking for new business gains this year of more than $100m (including the KMP billing).

KMP has certainly come full circle. It was formed in 1964 and went public five years later. It became part of a flourishing holding company, Kimpher, in which Guinness acquired a stake. By 1974, Kimpher group billing was put at £23m. But things rapidly turned sour and eventually, the new KMP management, encouraged by Guinness, bought the KMP equity, went its own way, and has managed to prove a strong and stable agency for the past seven years.

Compton, at any rate, is happy with its buy.

ADVERTISING RESEARCH

A bid to halt the tide of 'agency newspeak'

DESPITE its cleverness and sophistication, to say nothing of its wealth, the advertising business is accused periodically of devoting only a fraction of its resources to discovering how advertisements actually work, either in relation to the market place in general, or to ads for rival products.

It was in this vein that a media research manager (Alan Copage of TMD) recently accused the advertising business in general, and its research tributary in particular, of "total incapability" in measuring the effectiveness of ads.

Media researchers, he told a seminar in Amsterdam, stood accused of "apathy, cheating and chickening-out" when it came to the major problems of advertising measurement. And he claimed that many researchers were afraid of producing relevant advertising response data because of the fear of precipitating their own redundancies.

He asked whether the researchers, with all their supposed skills, could not afford to attempt to measure the impact and effectiveness of even one ad, or whether they were members of a flat earth society.

Stern stuff, but it is echoed, if more decorously, by a man who has made a positive attempt to monitor the effectiveness of ads, or at least of television commercials.

He is Peter Hoyes, a former agency man and now managing director of Television Advertising Bureau (Surveys), generally known as TABS, which for the past five years has operated a service in the London TV area aimed at distinguishing campaigns that are effective from those that are not.

The service is shortly to be expanded, to take in all forms of media, but first a brief explanation of what TABS has done so far.

TABS is an independent research company that offers a continuous, syndicated service. In broad terms, it claims it can tell an advertiser the strengths and weaknesses of his own and his competitors TV commercials by continually monitoring viewers' response before, during and after viewing.

To do so it uses a panel of 2,000 housewives and 1,500 men, all living in the London TV area, who fill in questionnaires. They give scores to commercials, which produce lists that show how *interesting* the respective commercials were judged to have been.

As the Young and Rubicam agency has said in a review of the new TABS service, there are at least two distinctive factors that set TABS apart from other techniques.

The first is that it provides an immediate and continuous measurement of viewer reaction over an extended period of time. With the exception of tracking studies, which are exceptionally expensive, the advertising research techniques most frequently used, such as pre- and post-awareness and usership and attitude studies, reflect the level of reaction obtaining at a specific point in time.

"They provide what are essentially 'snapshots' of brand positions," says Y&R, "and their results, to be really useful, need careful interpretation and extrapolation."

TABS' second distinctive feature is that it produces data that is not confined to the creative effectiveness of ads, but provides information with which to compare the effects of varying weights of advertising budget

Says Y&R: "Media research, by and large, attempts to measure opportunities to communicate. Millions of pounds are spent each year in the UK on attempting to determine media audience levels. In fact, what the research actually measures is the audience (available) to the particular editorial content in which the (advertisements) are placed."

The new Tabs service will offer virtually national coverage, and amongst other things will attempt to track brand buying and usage patterns, a brand's price-image, its 'goodwill,' and levels of advertising awareness.

Questionnaires will be distributed as part of an omnibus survey to a random sample of 2,000 adults, with a change of sample every four weeks. The questionnaires will be filled in by respondents, and will utilise similar scoring scales to the Tabs TV service at present.

In summary, says Y&R, the new service appears to have a lot to offer in helping optimise the use of budgets. Decisions that are currently taken subjectively, it says, could well be taken on a more objective basis.

The service will cost £1,750 per brand, though typically, TABS will monitor the performance of a given brand plus at least its main competitor, for a minimum effective charge of £3,500 annually.

Mr. Hoyes has great hopes of the scheme. TABS clients at present include Birds Eye, British Airways, Crown Paints, Philips and Nabisco. TABS turnover last year was £170,000, though the three-year target is to push that to more than £300,000 (at 1981 prices).

"Unfortunately," he says, "objectivity is not much valued in the hit-and-miss world of advertising. What we hope to do is overcome the agency version of Newspeak, according to which there is no such thing as a genuinely bad advertisement."

MEDIA & ADVERTISING

'Worrying doubts' about Sunday colour spate

CAN THERE possibly be room for the host of UK Sunday colour supplements jostling in to the marketplace? Not in the view of some agencies. And not in the view of TMD Advertising, the London media specialist, which in its current newsletter expresses "worrying doubts" about Fleet Street's current spate of Sunday newspaper magazine launches.

"Regretfully," says TMD, "we suspect that these plans are inspired not so much by an unsatisfied demand for colour advertising as by the existence of surplus colour printing capacity, coinciding with a desperate search by newspapers publishers for something that will reverse the long-term downward circulation trend of the popular Sundays."

Doubt No. 1, says TMD, concerns the newsagents. In round figures, the recently launched Sunday Express magazine doubled the total circulation of Sunday supplements, from 3m to 6m, having joined the Sunday Times, Sunday Telegraph and The Observer in the Sunday colour fray.

"In September, the News of the World will increase the total circulation to 10m, and in February next year, the Sunday Mirror will put it up to 14m"—nearly five times the volume the trade is used to handling. Newsagents, says TMD, will surely demand a high price for their co-operation.

Doubt No. 2—the reaction of readers. Are the readers of the Sunday pops really interested in additional reading matter, or will they see the new magazines as "advertising vehicles packed with a certain amount of editorial padding to keep the ads apart and responsible for putting up the cover price?" it asks.

If the latter, says TMD, will the new magazines prove a strong enough attraction to help boost ailing circulations and rejuvenate ageing readerships, as seems to be their purpose?

Doubt No. 3—advertising revenue. The three quality Sundays, with their up-market readerships, have been able to attract enough direct response and luxury goods advertising to keep them in business. And the Sunday Express magazine, though less up-market and more expensive in absolute terms, could well climb aboard the same bandwagon.

"But even with an economic recovery," says TMD, "it is difficult to see where the money is going to come from to support the News of the World and Sunday Mirror magazines at the sort of rates they will have to charge for colour (£15,000-£20,000 per page)."

It says the lower end of the market has never worked well for direct response advertisers; that cigarette advertising seems likely to be banned before long, and that financial and mass-market car advertisers "don't really need colour."

On the other hand, it says, Rupert Murdoch's News Group clearly has a problem with the News of the World. At 4.3m copies, its average sales last year were more than 30 per cent lower than ten years ago, and the figure is currently hovering at just above 4m.

A colour magazine might help reverse the trend, says TMD, particularly if it adopted the bosoms-and-buttocks of the Sun, its sister daily. What is certain, it says, is that Mirror Group Newspapers, which has already postponed the launch of its own Sunday magazine from the autumn until early next year, will have to re-examine its plans carefully—particularly its rates, something it got "disastrously wrong" with the Mirror Magazine 12 years ago, says TMD.

Will the advertising cake prove big enough to support all these titles. TMD says that in 1980, the three existing colour magazines took around £58.6m in display revenue, on a Media Expenditure Analysis (rate-card) basis.

"Where will the money come from? From other media—perhaps from disenchanted TV advertisers? No matter whether they use rational, numerate, or purely emotional argument," warns TMD, "Press media owners have historically found it extremely difficult to attract large sums of advertising money away from TV for anything other than a short-term trial."

● TOWER HOUSEWARES, part of the TI Group, is moving its account from Boase Massimi Pollitt to J. Walter Thompson. The budget is currently £430,000, but likely to rise.

● MARKS & SPENCER is giving the University of Sterling £15,000 with which to establish a postgraduate research studentship in retailing, distribution and marketing studies.

Etcetera

TECHNOLOGY

EDITED BY ARTHUR BENNETT AND ALAN CANE

Dynamometer from Bath wins industrial backing

DAVID FISHLOCK, SCIENCE EDITOR

"THE MOST flexible dynamometer that's ever been made in Britain" is how Professor Ted Bourns describes a Bath University invention he has just persuaded a British company to make. For its part, the company believes the invention will find a multi-million pound market.

Professor Bourn's invention began life in the 1960s when he convinced himself that the way to test an engine was "to use something that worked like an engine," instead of either electrical machines or waterbrakes. But a paper that put forward this idea in 1971 elicited no interest from UK industry.

Bourns decided to develop the invention himself, at the university's School of Engineering. In essence, it is a hydrostatic dynamometer designed to simulate closely real road conditions.

The university obtained a Wolfson Trust grant to build a suite of test cells for large diesel engines, of 200-300 hp. Bourns equipped them with his hydrostatic dynamometer. Altogether, he built five or six—"some of them just lashed together."

His first foray into industry came to nothing, however. The university bought back its invention last year. Now he has found HB Instrumentation of Bolton, a subsidiary of the Birmingham group, W. Canning, at a time when the engine industry has just begun to take a serious interest in the concept of the hydrostatic dynamometer.

Previously, HB Instrumentation had specialised in the peripherals of engine testing, such as fuel flow meters and data acquisition.

The collaboration—negotiated by SWIRL (South Western Industrial Research Limited), the university's own R and D Company—leaves research and mechanical design to the university and electrical design, procurement, manufacture and marketing to the company.

Professor Bourns sees the machine as a system which will need to be tailored to each individual enginemaker's requirements. But each system will offer a very wide range of performance.

"It can be adapted to test engines as different as 5 hp running at 10,000 rev/min and 400 hp running at 2,000 rev/min.

Wrong way

Each system will be computer controlled, with an eye to the trend to fully automate all engine testing. "What we're providing is cleverness," says Bourns. Supporting the work is what he claims to be the leading educational establishment in fluid power in Britain, in the shape of Bath's Fluid Power centre, which he runs.

It has five full-time lecturers and 14 people engaged in research and consultancy, and an income of about £600,000 this year.

The dynamometer can reclaim energy used in engine testing and return it as electricity to the national grid. Bourns is already demonstrating this in his test cells, after lengthy negotiations with the local electricity board over the safety of "power going the wrong way."

SWIRL stresses that Bath's success in negotiating a good commercial contract lay in the fact that it was building and testing prototypes.

It was not just trying to sell dreams or drawings, says Roy Forsey, SWIRL's manager. He is looking for sales worth about £1m this year, of which SWIRL will receive about 10 per cent. Of this royalty, Bourns himself — as inventor — will receive a proportion.

Of his industrial partner, Professor Bourns says: "I am really getting one man who is dead keen." This is Mr Frank Waterworth, managing director of HB Instrumentation; an electrical engineer "who will come and see me at 9 o'clock in the morning."

Mr Waterworth thinks the licensing agreement is "an excellent example of the benefits that can come from cooperation between universities and industry."

It is only fair to say that the rest of the dynamometer establishment in the UK views the HB initiative with undisguised curiosity, wondering what Professor Bourn's device has to offer that their's does not.

They also wonder whether HB has not bitten off more than it can chew in a comparatively stable market.

But with enthusiasm for engine testing growing annually, the game could be big enough for everyone to play.

Speed-up for word processors

PHILIPS has cashed in on the power of the modern microprocessor with its latest word processor, the P5003.

Compared with its predecessor, the 5002, the new model is four times as fast and can draw on twice the working memory. Some new software has also been developed to produce additional versatility and this is available on a package basis so that users can build up a library to suit their needs.

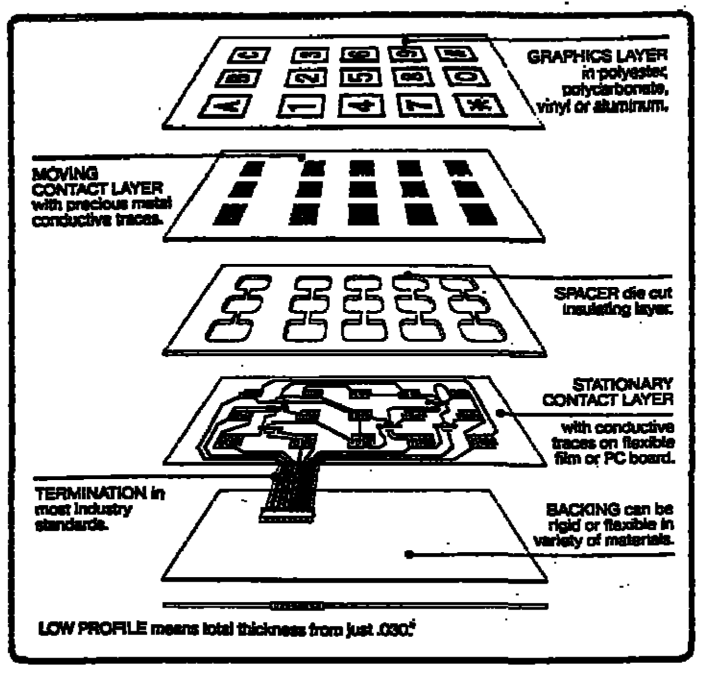
An interesting facility is called "keystroke memory." This allows all the keystrokes performed by an operator during a particular run to be stored and then accurately reproduced at high speeds for repeat runs.

Philips claims this will greatly speed the processing of standard administrative information.

Like a number of modern machines, the 5003 has a search and locate facility. It is able to generate lists on a selective basis—for example, a list of a company's customers living in Surrey.

Savings on pallets

PALLETS said to cost 30 per cent less than conventional pallets and save up to 60 per cent in transport costs are available from Interhouse, The Ridges, Finchamstead, Wokingham, Berks. Made in Germany from wood and synthetic resins moulded under intense heat and pressure, they are two to four times lighter than ordinary pallets and will carry up to 1.25 tonnes each.



Membrane keyboard with a million life expectancy

PUT ON to the market by Cherry Electrical Products of Harpenden is a membrane keyboard which has a tested life expectancy of more than a million operations.

There are no mechanical moving parts, making the unit relatively inexpensive. A five layer laminated construction is used which is only 3 mm thick and the keyboard can be produced in a wide variety of configurations for control panel applications of all kinds.

A selection of standard keyboard layouts is available from stock and special designs can be produced quickly, with prototypes available in as little as four weeks. Styling, graphics and encoding are infinitely variable.

The laminated and sealed construction produces a dust-free and moisture resistant product that can operate in temperatures from −40 to +85 degC. Actuation force for the keys is between two and 10 ounces and the nominal contact rating is 20 mA at 30 volts DC.

Veneers

HARDBOARD with a finish in simulated mahogany or oak veneer is to be marketed in the UK by Ahlström, Pihlava Fibreboard Mill, SF-28800 Pori 80, Finland.

Called Ovilam, the material was developed for the production of flush doors and furniture panels with the idea that manufacturers would have a ready-made product which would only need fixing to the door or furniture frame.

Mobile strainers

A RANGE of mobile liquid strainers introduced by Jenag Equipment (BTR Group) has been designed for straining very small batches of specialised and expensive materials such as printing inks and quality paints, where products and solvent loss during production is a prime consideration.

Called the Jenag 600, it is claimed to provide an economic and comprehensive system, which is self-contained, mobile and simple to install. About 34 inches high, the unit can strain a wide range of fluids within a viscosity range of 0-100 poise

Television colour camera

NEWS COMES from RCA of a professional television colour camera that can be operated by one man and has a built-in video recorder that uses standard VHS half-inch-tape cassettes.

It is designed for use in electronic news gathering (ENG), productions in the field and similar applications. Called Hawkeye, it can operate in any of the world's standards—NTSC, PAL-B, PAL-M or SECAM.

In the one operating unit are camera, recorder, microphone and batteries. The whole rugged watertight system weighs only 23 lb (10.45 kg) including the lens.

The important point is that there are no cables connecting camera to a separate recorder and this, says RCA, removes one of the most frequent causes of technical problems in the field.

There are new half-inch pick-up tubes in Hawkeye which it is claimed have a performance equal to that of the 2/3-inch tubes currently used in many such equipments. More from RCA Commercial Systems, Route 38, Cherry Hill, New Jersey, U.S. 08358.

Gyroscope binoculars

ANYONE WHO has tried to hold a reasonably powerful pair of binoculars steady in a moving vehicle—or even standing on firm ground on a windy day—will be interested to hear that Fujinon in Japan has developed a model in which the image is stabilised within certain limits of vibration.

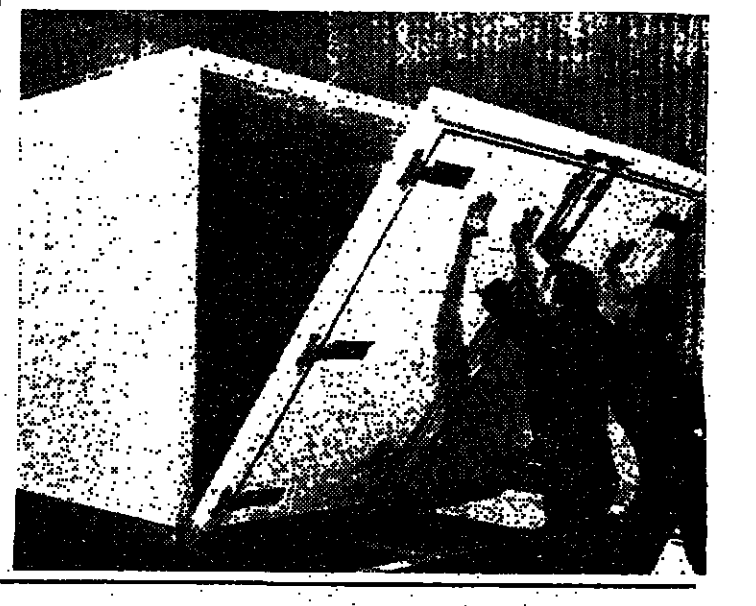
Marketed in the UK by Survey and General Instrument Company of Edenbridge, Kent (0732 864111), The Stabiscope uses an ingenious gyroscopically-controlled swinging prism system to replace the normal fixed prism used in binoculars.

These binoculars are not much bigger or heavier than conventional 10 x 40 instruments and are built on rugged lines with weatherproofing. Power is supplied from internal nickel cadmium batteries or from an external 12-volt source. The change from normal to stabilised viewing is by means of a switch.

INSULATED ROAD vehicle bodies for carrying food and other products in controlled temperatures can be built readily from kits of components now being offered by Concargo of Weston-super-Mare, Avon (0934 28221).

The kits consist of lightweight panels and door assemblies already fitted with stainless steel hinges and locking components. Also included are alloy sections, front corner finishes, sealants and fasteners.

Glass reinforced plastics skins which encase urethane foam to form a strong insulating "sandwich" are used for the panels.



Herbert challenges with its AL 10 machine tool

By Peter Cartwright

ALFRED HERBERT which built an international reputation for its lathes, has introduced a compact, high speed computer numerically-controlled (CNC) machine for the general engineering industries involved in bar shaft and chuck work.

(A report of the launch appeared on Page 9 on Tuesday).

The AL 10 is the first to come from Tooling Investments which acquired the Coventry company last October. It was started under the former management with the help of more than £1m Industry Department grant under the machine tool aid scheme.

The AL 10 stands on three points, does not need to be levelled and ordinarily requires no foundation bolts.

Capacities of up to 42 mm diameter bar x 200 mm turned length, 50 mm diameter x 200 mm long shaft component and 100 mm diameter x 75 mm long billet work are provided.

Feed rates are variable from one to 4,800 mm/min. Infinitely variable spindle speeds range from 50 to 5,000 rev/min.

The UK market for this type of machine is growing at about 30 per cent annually, with a major share being taken by the Japanese.

The Herbert AL 10 is competitively priced at a basic £37,500 and is expected to offer a strong challenge to competitors in export as well as home markets.

The North American market will be one of the first to be tackled, initially through the existing Chicago and Toronto bases and later through new outlets to be set up at Los Angeles and Houston.

Among the main features are that the headstock and mounting is designed to achieve optimum thermal conductivity. The supporting column of the headstock and supporting fabricated base has been designed to produce optimum rigidity and stiffness, proven by computer programme.

Quiet headstock operation stems from an infinitely variable DC main motor which drives the spindle directly by pulley and vee belt. The motor provides 10 kilowatt power at the 20 min/hr rating from the top spindle speed of 5,000 rev/min down to 1,000 rev/min, with a constant torque of 96 Nm down to 50 rev/min.

A large motor was selected to ensure constant surface speed with minimum horsepower losses on acceleration. All rotating parts are dynamically balanced to hold full power noise level to under 80 dba.

COMPANY NOTICES

VILLE DE MONTREAL

C$40,000,000 10% Bonds due 1989

Pursuant to the provisions of the Purchase Fund, notice is hereby given to Bondholders that an aggregate principal amount of C$2,000,000 has been purchased for the Purchase Fund during the twelve-month period commencing June 1, 1980.

Amount outstanding: C$34,000,000.

VILLE DE MONTREAL
Quebec, Canada

June 11, 1981

Invitation of the Shareholders of the HELLENIC SHIP AND AIRCRAFT INSURANCE COMPANY S.A. to the Ordinary General Assembly

HELLENIC SHIP AND AIRCRAFT INSURANCE COMPANY S.A

In accordance with the Articles of Association No. 27 and 30, the Shareholders of the "HELLENIC SHIP AND AIRCRAFT INSURANCE COMPANY S.A" are invited to the Ordinary General Meeting which will be held on Monday, June 22nd 1981 at 12.00 hours at the premises of our Head Office in 24 Stadiu Street (1st Floor).

Any Shareholder wishing to attend the General Meeting must deposit his shares at the latest 5 days prior to the abovementioned date of the Meeing as follows:

In Greece, with the Company's Cashier or with the Consignment Deposits and Loans Fund or with any Bank in Greece, and

Abroad, with any one of the recognised foreign Banks.

The Agenda of the General Meeting have been set forth as hereafter:

1) Report of the Board of Directors on the Company's activities during the sixteenth year of accounts 1980 and Balance Sheet as at the 31st December 1980
2) Auditors' report on the Balance Sheet as at 31st December 1980.
3) Approval of the 1980 administration as well as of the Balance Sheet as at 31st December 1980.
4) Release from any liability whatsoever for indemnity in connection with the 1980 administration and with the Balance Sheet as at 31st December 1980:
   a) of the Board of Directors and the Managing Director
   b) of the Auditors.
5) Approval of the remuneration of the Members of the Board of Directors for the year of accounts 1980.
6) Ratification of the election conducted by the Board of Directors of Members in completion of positions emptied.
7) Election of a new Board of Directors, the one in office having served its term.
8) Election and fixing of fees, for the year 1981, of two regular Auditors one of which must be member of the Institute of Chartered Accountants, as well as of an equal number of substitutes.
9) Granting of permission to the Directors and the Management to become members of the Board and participate in the Management or otherwise of other concerns pusuing similar objects.

By Order of the Board of Directors.
The Managing Director.
CONST. COSTAKIS.

Athens.
5th May 1981.

CHILEAN GOVERNMENT LONG TERM DEBT LAW No. 8962
CHILEAN GOVERNMENT
4½% BONDS 1893

Midland Bank Limited announce that the redemption instalment for the sinking fund of 1st July 1981 has been met by a drawing of Bonds to the nominal value of £2,100.

The distinctive numbers of the bonds drawn in the presence of a Notary Public are as follows:

Serial Numbers £100
539 546 554 569, 1,111 4,293, 4,998, 5014, 5025, 5037, 5050.
Serial Number £1,000
37

The above bonds payable on and after 1st July 1981 should be presented at the Stock Exchange Services Department of Midland Bank Limited listed on the appropriate form and must bear all coupons subsequent to 1st July 1981 otherwise the amount of missing coupons will be deducted from the principal moneys.

The usual interval of four clear days will be required for examination.

Midland Bank Limited
Stock Exchange Services Dept.,
Mariner House
Pepys Street,
London EC3N 4DA.

AFRICAN AND EUROPEAN INVESTMENT COMPANY LIMITED
(Incorporated in the Republic of South Africa)

PREFERENCE DIVIDEND NO. 66

Dividend No. 66 of three per cent for the six months ending June 30 1981, has been declared payable on August 15 1981 to holders of the six per cent cumulative preference stock registered in the books of the company at the close of business on June 26 1981, and to persons presenting coupon No. 67 detached from stock warrants to bearer. A notice regarding payment of the dividend on coupon No. 67 detached from stock warrants to bearer will be published in the Press by the London Secretaries of the company on or about June 19 1981.

The preference stock transfer registers and registers of stockholders will be closed from June 27 1981 to July 10 1981, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about August 14 1981. Registered preference stockholders paid from the United Kingdom will receive the United Kingdom currency equivalent on August 4 1981 of the rand value of the dividend (less appropriate taxes). Any such preference stockholders may, however, elect to be paid in South African currency, provided that the request is received at the offices of the company's transfer secretaries on or before June 26 1981.

The effective rate of non-resident shareholders' tax is 15 per cent.

The dividend is payable subject to conditions which can be inspected at the head and London offices of the company and at the offices of the company's transfer secretaries, Consolidated Share Registrars Limited, 62 Marshall Street, Johannesburg 2001 and Charter Consolidated Limited, Charter House, Park Street, Ashford, Kent, TN24 8EQ.

By order of the board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
per: W. O. NICOL.
Divisional Secretary.

Head Office:
44 Main Street
Johannesburg 2001
London Office:
40 Holborn Viaduct
London EC1P 1AJ
June 11 1981

BRAZILIAN INVESTMENTS C.A.
SOCIEDADE DE INVESTIMENTO
Decreto Lei No. 1401

INTERNATIONAL DEPOSITARY RECEIPTS

Issued by Morgan Guaranty Trust Cy of New York

NOTICE IS HEREBY GIVEN that the report and accounts of the captioned company for the six months ended 31st March 1981 & 1980 are available to the shareholders at the offices of Morgan Guaranty Trust Cy of New York in:

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PERSONAL

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PUBLIC NOTICE

AMENDED NOTICE
BOROUGH OF IPSWICH

£900,000 Bills issued 9.6.81 due 8.9.81 @ 12 31/64. Total apps. £6.3m. Only Bills O/S.

BIRMINGHAM COUNCIL BILLS

£11.75m 91-day Bills issued 11th June, 1981 to mature 10th September, 1981. Applications totalled £43.25m. Minimum accepted price £96.85. Average rate of discount 12.63%. Total Bills outstanding £35.75m

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LOMBARD

The tripartite escape route

BY JOHN ELLIOTT

IN AN attempt to handle some of the country's industrial problems, the Government has recently shown a growing interest in tripartite exercises, setting up what it sometimes calls "task forces" to examine key issues.

Indeed, Sir Geoffrey Howe, the Chancellor, has shown such enthusiasm for the idea that he seems in danger of giving them the same bad name that Royal Commissions earned a few years back when the Government set up august bodies of worthy men to examine—and bury—thorny problems.

At the recent National Economic Development Council meeting, Sir Geoffrey not only reconvened last winter's council "task force" on energy prices and set up a new "ad hoc advisory group" on energy conservation. He was also forced by the other council members to set up a "broadly based working party" on the problems of financing nationalised industries.

Partnerships

Now it is perfectly true that industrial problems are often *best solved by partnerships* between both sides of industry together, where necessary, with the Government. Surely one should not complain that this instinctively dogmatic Government has actually recognised some collective wisdom among the nation's big business industrial leaders, in addition to worshipping the individual entrepreneur?

The problem is that the Government took scant notice of the report of the energy price task force in the spring: it demonstrated that major energy users in UK industry were becoming less competitive than their European counterparts because of high British energy prices, especially fuel oil.

Facts were produced by the task force, under the chairmanship of Mr Geoffrey Chandler, Director-General of the National Economic Development Office, to underpin the argument. A meeting of the NEDC was given the clear impression that Government help was on the way. Yet the Budget did little, although Mr Chandler has said since that industry gained £175m of extra help.

Industry felt it received far less than it deserved and, insensitively, the Government has not recognised how important the disillusionment may turn out to be.

The last Conservative administration did the cause of tripartism no good during the 1972 talks it conducted with the CBI and TUC on a future possible incomes policy. The Heath administration gave the impression at the start of those talks that a whole range of policies were up for debate and eventual Government action. The TUC quickly found however that Mr. Heath was not prepared to trade major policies, which he regarded as the sole prerogative of the Government, such as housing, pensions and food subsidies, and the Industrial Relations Act, in order to obtain a deal with the unions.

Mr. Heath started that exercise with the message: "We have got to find a more sensible way of settling our differences," and the unions thought he actually intended to negotiate. Similarly industrialists thought Sir Geoffrey was saying, when the energy task force was set up, "You prove the facts and we'll give you help." The facts were provided: the help did not come, just as Mr. Heath failed to respond in 1972 on a wider front.

Working parties

Now Sir Geoffrey has set up the working party on nationalised industry financing. It follows a series of relatively inactive working parties between the Treasury and the industries whose chairmen are now pleased that their case is to be taken up in a wider forum. The question now is how much Sir Geoffrey and his Treasury mandarins insist on dominating the working party, and what happens when it reports.

Tripartite exercises should not be used by the Government as an escape from reality. One can welcome Sir Geoffrey's conversion to the idea that there should be public debate about issues such as public spending in state industries on which he had previously shown little flexibility. But a Conservative Government should not be permitted to undermine tripartism for the second time in a decade.

The uncertainties of European justice

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

FEW COURTS are so shackled by their previous decisions as the English Court of Appeal but none claim such freedom as the European Court in Luxembourg.

Supported by the Council and the Commission, the court has now given itself the power to reinstate regulations and other legislative Acts of the Community which it previously declared invalid. In doing so the European Court has achieved a much greater freedom of action than is enjoyed by any constitutional court in Europe and it is doubtful whether such innovation is a good thing for Community law.

The judgment which confirmed this questionable development, was handed down last month in case 66/80 concerning a claim of SpA International Chemical Corporation, Rome, against the Italian Administration of State Finance for deposits forfeited and export subsidies lost under a regulation declared invalid by the European Court in 1977.

The regulation, No. 563/76, adopted by the Council in 1976 was designed to help the Commission get rid of the surplus of milk and recover at least some of the cost of the dried milk powder mountain. It obliged the producers of vegetable protein feeding stuffs to purchase dried milk powder as an additive and to pay around three times the value it had as fodder.

This measure caused predictable dissatisfaction among pig and chicken farmers. They complained that they were made to pay for a regulation which brought profits only to dairy farmers. Moreover, they said, their chickens did not like the skimmed milk powder.

Soon, the European Court was inundated with references from German and Dutch courts asking whether the regulation was not contrary to the principles of the EEC Treaty.

The European Court gave its judgment on July 5 1977. It held (in cases 114, 116 and 119-120/76) that regulation 563/76 was invalid because the obligation to purchase dried milk powder for three times its value as feeding stuff favoured one agricultural sector at the cost of another and, moreover, was not even necessary for the liquidation of the stockpiles.

In 1980, the European Court was reminded of its 1977 decision by a reference received from the Civil Court of Rome. The International Chemical Corporation claimed repayment of deposits made under Regulation 563/76 while this was still valid. In addition, the company asked for compensation for losses which it suffered as a result of the somewhat complicated evasive action which it took to frustrate the intent of the objectionable regulation. The company argued that, but for the regulation, it could have benefited from an export subsidy for feeding stuffs. Instead, it imported certain cereals for processing and re-export.

However, the Court held that the system which operated while the regulation was valid spread its financial consequences so that the feeding stuff producers were reimbursed by the price they obtained from the farmers and the farmers received their extra expenses from the consumer. The cost of the dry milk powder was thus passed on and no restitution or compensation could be claimed even if national law provided for such a possibility.

In view of previous decisions of the European Court rejecting similar claims for compensation, this result was predictable and one is surprised that the Italian company took the trouble of going to Luxembourg.

However, lawyers being what they are, the opportunity to raise some fundamental questions was taken. First, does the declaration of invalidity bind only the judge who referred the case to Luxembourg or does it result in an objective annulment of the regulation binding everybody?

Secondly, does such a declaration mean that the invalidated regulation was never valid or did its invalidity start only at the time the court gave its judgment?

The Italian Government argued that the court's previous decisions tended to show that such a declaration of invalidity applied to everybody, not only to the parties concerned. But it noted that in some of these decisions the court had held that it might reconsider the question of the validity of a regulation already declared invalid.

The European Council adopted, in its observations submitted to the court, a very restrictive view. It drew a distinction between the procedure for annulment of Community Acts provided by Article 173 and the procedure for interpretation of the EEC Treaty according to Article 177 which, however, provides also for a declaration of invalidity. The Council concluded that a declaration of invalidity of a regulation made in the course of a reference from a national court (and not on application by a member Government, the Council, the Commission, or a party whose interests were affected by it) was strictly binding only on the court which referred the matter to Luxembourg. Other courts were free to follow the decision but might also submit the issue to the European Court for reconsideration.

In the opinion of the Commission, there was no reason to distinguish between declarations of invalidity and other interpretations of the treaty. Such declarations should be respected by all national jurisdictions and not only by the court which referred the case to Luxembourg.

Once a regulation was declared invalid, courts of last resort—from which there is no further appeal—were freed from their obligation to refer the issue of validity to the European Court and lower courts were deprived of the possibility of deciding the issue of validity.

The Commission took the stand that a decision of the European Court interpreting the treaty was authoritative and final, though it admitted that this did not exclude the possibility of a reconsideration of the issue by the court.

The Council had no doubts that a declaration of invalidity could be retroactive in principle, making the regulation invalid right from the beginning, though there could be exceptions to avoid grave economic effects of such retroactive decisions. The Commission was also of the view that a declaration of invalidity would be retroactive but did not see the exclusion of certain effects of such retroactive decisions as an exception. It pointed out that according to Article 174 the court could indicate which of the effects of a regulation which it has quashed should be regarded as confirmed.

The court accepted all the advice proferred by the Council and the Commission. It held that a declaration of invalidity of a regulation was generally applicable. That provided national courts with sufficient authority to consider the regulation invalid. But, on the other hand, that did not eliminate the possibility of a new reference to Luxembourg. National courts could raise the matter again, particularly if there were questions concerning the grounds for invalidity, its extent and its consequences.

To sum up, the court claims the power to revive a regulation or another Act which it has previously invalidated. There is no time limit on such retraction of its decision.

One can visualise many changes, both economic and legal, taking place in the course of five or 10 years. A revival of a regulation after a lapse of time might have the same effect as a new legislative action, for which the court is not equipped. The judgment adds to the uncertainty of Community law and confounds its legislative process.

End of War to master Canio

RACING

BY DOMINIC WIGAN

AN INTRIGUING practical confrontation could well be the feature of today's Newbury Summer Cup in which the once smart Canio, without a win since 1979, bids to account for just five opponents.

It was in the Donnington Castle Stakes, on this course as a juvenile, that Canio recorded his sole success—in the process giving rise to hopes of group race successes as a three-year-old.

It is difficult to know what went wrong last year, for Canio was given every chance in varied company, and on no occasion did he look like obliging. Now a gelding, and away from Newmarket in new quarters at Henry Candy's Wantage stable, Canio, fifth of 16 on his seasonal debut at Brighton recently, could yet return to his best.

If, as I anticipate, Phillip Waldron is able to contain the Welsh bay for a late challenge the partnership is likely to be concerned in the finish at renumerative odds.

Another course winner who is likely to make his presence felt if held up for a final flourish is Jeremy Tree's End Of War who came from behind to land an 11-runner maiden event here in July. This brown son of Peace went on to run respectably in the Irish Sweeps Autumn Handicap at Newmarket on his final appearance of 1980 and showed signs of returning to his best form of last season when fourth of 16 behind Cordoroy in the York and Ainsty Handicap recently.

End Of War who was running well at York under 10 st without ever looking likely to peg back the principals receives a useful 3 lb from Canio and that factor sways me in his favour. He is ridden as on the Knavesmire by Pat Eddery whose association with the Beckhampton runner is always worth noting.

Half an hour after the Summer Cup Eddery is aboard Rockfest, another Beckhampton runner racing in the colours of Mr Jock Whitney the popular American. She is expected to go well.

NEWBURY

2.00—Swift Palm
2.30—Mailman
3.00—End Of War*
3.30—Wicked Wave
4.00—Ardar
4.30—Centroline

BEVERLEY

2.15—Letsgomo
2.45—Black Mike
3.15—Kind Music**
3.45—St. Mawes***

TV/Radio

†Indicates programmes in black and white

BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 9.00 For Schools, Colleges. 1.12 pm Regional News for England (except London). 1.15 News. 1.30 Chock-A-Block. 2.00 You and Me. 2.15-3.00 For Schools, Colleges. 3.53 Regional News for England (except London). 3.55 Play School (As BBC 2 11.00 am). 4.20 The Perils of Penelope Pitstop. 4.40 Oscar, Kina and the Laser. 5.00 John Craven's Newsround. 5.10 Blue Peter.

5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
6.55 Tomorrow's World.
7.20 Top of the Pops.
7.55 The Hitch-Hiker's Guide to the Galaxy.
8.30 Butterflies.
9.00 News.
9.25 Mastermind International from Australia.
10.05 Hanging Fire: The State of Israel.
10.35 Question Time with Robin Day.
11.35-11.40 News Headlines.

All Regions as BBC 1 except as follows:

Cymru/Wales—5.55-6.20 pm Wales Today. 6.55-7.20 Heddiw. 11.35 News Headlines: News and Weather for Wales.

Scotland—1.10-1.15 pm The Scottish News. 5.55-6.20 Reporting Scotland. 8.30-9.00 The Current Account Report. 11.35 News Headlines: News and Weather for Scotland.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.35 News Headlines: News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds); Look North (Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
2.00 pm Tennis: Stella Artois Grass Court Championships.
5.15 Open University.
6.35 Tex Avery Double Bill.
7.10 Mid-Evening News.
7.25 Delia Smith's Cookery Course.
7.50 The Pursuit of Power: Robert McKenzie talks to the Rt Hon David Steel MP.
†8.30 Battlefront: "All Quiet on the Western Front," starring Lew Ayres.
10.35 Consort of Musicke.
10.45 Newsnight.
11.30 Tennis highlights.

LONDON

9.30 am Schools Programmes. 12.00 The Ark Stories. 12.10 Get Up and Go. 12.30 The Sullivans. 1.00 News plus FT Index. 1.20 Thames News. 1.30 Take The High Road. 2.00 Here Today. †2.25 "The Man From The Diners' Club," starring Danny Kaye, Telly Savalas and George Kennedy. 4.15 Tweety Pie. 4.20 Little House On The Prairie. 5.15 Emmerdale Farm.

5.45 News.
6.00 Thames News.
6.25 Help.
6.35 "Genevieve," starring John Gregson, Dinah Sheridan, Kenneth More and Kay Kendall.
8.00 Young At Heart.
8.30 TV Eye.
9.00 Funny Man.
10.00 News.
10.30 Thames Report.
11.00 Lou Grant.
12.00 What The Papers Say.
12.15 am Close: "Sit Up and Listen," with Paul Johnson.

All IBA Regions as London except at the following times:—

ANGLIA

1.20 pm Anglia News. 6.00 About Anglia. 6.20 Arena. 6.35 Crossroads. 7.00 Survival. 7.30 Ransom. 10.30 Against the Grain. 11.00 The Robert [illegible]. 12.00 Paris by Night. 12.30 am Themes.

ATV

1.20 pm ATV News. †2.25 Movie Matinee: "Rattle of a Simple Man," starring Harry H. Corbett and Diane Cilento. 6.00 ATV News. 6.05 Crossroads. 6.30 ATV Today. 7.00 Emmerdale Farm. 7.30 England Their England. 10.30 England Their England: State of Welfare. Anna Ford chairs a debate with the participants of the England Their England series "State of Welfare." 11.15 ATV News. 11.20 Lou Grant.

BORDER

1.20 pm Border News. 2.25 Matinee: "Tick, Tick, Tick . . ." starring Jim Brown. 5.15 Mork and Mindy. 6.00 Lookaround Thursday. 6.35 Crossroads. 7.00 Emmerdale Farm. 7.30 Survival. 10.30 Lou Grant. 11.30 Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News. What's On Where and Weather. 6.00 Channel Report. 6.35 Crossroads. 7.00 The Television Programme. 7.30 Mork and Mindy. 10.28 Channel Late News. 10.36 The Sweeney. 11.35 News and Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm North News. 5.10 Police News. 5.15 Emmerdale Farm. 6.00 North Tonight. 6.35 Crossroads. 7.00 Top Club. 7.30 Father, Dear Father. 10.30 Soap. 11.00 Thriller. 12.15 am North Headlines.

GRANADA

1.20 pm Granada Reports. 2.25 Thursday Matinee: "4.20 Anna and the King." 4.50 Story Hour. 6.00 Granada Reports. 6.25 This Is Your Right. 6.30 Crossroads. 7.00 Survival. 7.30 Father, Dear Father. 10.30 Celebration. 11.00 What The Papers Say. 11.20 Lifetime.

HTV

1.20 pm HTV News. 4.20 Spidorman. 4.45 The Flying Kiwi. 5.10 Jobline Newsdesk. News, advice and background help for unemployed teenagers. 5.20 Crossroads. 6.00 Report West. 6.30 Happy Days. 7.00 Emmerdale Farm. 7.30 England, Their England. 10.28 HTV News. 10.35 Scene. 11.20 Fireside Theatre

HTV Cymru/Wales—As HTV West except: 9.30-9.45 am Cymru A'r Mor. 12.00-12.10 pm Owain A'r Ohon. 4.15 Brendon Chase. 4.45 Ser 5.15-5.20 Waltz of the Flowers. 6.00 Y Dydd. 6.15-6.30 Report Wales. 10.35-11.20 In Search of the Past.

SCOTTISH

1.20 pm News Headlines and Road and Weather Report. 1.30 Square One. 5.15 Tales of the Gorse. 5.20 Crossroads. 6.00 Scotland Today. 6.20 Action Line. 6.30 Sale of the Century. 7.00 Take the High Road. 7.30 Leave It To Charlie. 10.30 Soap. 11.00 Scottish History. 11.25 Tennent's Golden Arrow Darts. 12.10 am Late Call.

SOUTHERN

1.20 pm Southern News. 2.25 The South of England Agricultural Show from the Show Ground, Ardingly, Sussex. 4.20 Tarzan. 5.15 Undersea Adventures of Captain Nemo. 6.00 Day by Day. 6.30 University Challenge. 7.00 Emmerdale Farm. 7.30 Three's Company. 10.35 People Rule! 11.05 The New Avengers.

TYNE TEES

9.20 am The Good Word. 9.25 North East News. 1.20 pm North East News and Lookaround. 2.25 Thursday Matinee—"The Fallen Idol," starring Ralph Richardson and Michele Morgan. 4.15 Cartoon Time. 4.20 Herculoids. 4.45 Tarzan. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 7.30 Survival. 10.30 North East News. 10.32 Soap. 11.00 Check It Out. 11.30 Double Top. 12.00 The Mysterious Power.

ULSTER

1.20 pm Lunchtime. 4.13 Ulster News. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.30 Police Six. 6.30 Happy Days. 7.00 Emmerdale Farm. 7.30 England Their England. 10.29 Ulster Weather. 10.30 The Entertainer—Northern Ireland Talent Competition Final. 11.30 Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 6.00 Westward Diary. 6.35 Crossroads. 7.00 The Television Programme. 7.30 Mork and Mindy. 10.32 Westward Late News. 10.36 The Sweeney. 11.35 Faith for Life. 11.40 West Country Weather and Shipping Forecast.

YORKSHIRE

1.20 pm Calendar News. 2.25 "Tick, Tick, Tick . . ." starring Jim Brown and George Kennedy. 4.20 Jason of Star Command. 4.45 Sierra. 6.00 Calendar (Emley Moor and Belmont editions). 6.35 Crossroads. 7.00 Emmerdale Farm. 7.30 Survival. 10.30 Calendar Carousel. 11.00 The Monte Carlo Show.

F.T. CROSSWORD PUZZLE No. 4,591

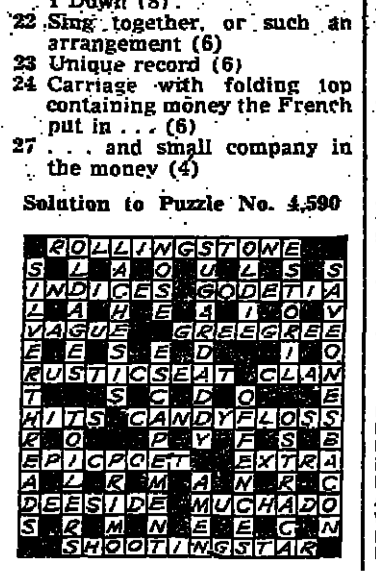
ACROSS

1 Brownish-yellow untilled ground (6)
4 Follow and observe a short stint for sailors (3-5)
9 Take possession of and fill an office (6)
10 What Rugby players do and cobblers use (4-4)
12 Pretext certain to give delight (8)
13 *Imagine plan to note* (6)
15 Adjust the balance of fittings (4)
16 Left in fault to turn aside (7)
20 Repartee used by a swordsman (7)
21 Her love for a brave man (4)
25 Young cow is hybrid if here (6)
26 Begin to attack (3,5)
28 Asking for grain too? (8)
29 Bird and fish go bad (6)
30 Pole, undecided, is exhausting (8)
31 Confine and reduce to silence (4,2)

DOWN

1 12" track? (8)
2 Part of preparatory spinning machine is well-stocked with spirits we hear (6-2)
3 Make objection to face (6)
5 Begin exposing the interior (4)
6 In good condition to trim enclosed space on ship (4-4)
7 Catch article in a snare (6)
8 Rope to stop with a word of hesitation (6)
11 Priceless Benedictine title used in improper familiarity (7)
14 Gratify that which is smoother (7)
17 Took in abstract to editor (8)
18 American politician in four-wheeled cart (8)
19 Pays favourite to come up and tread—possibly seen on 1 Down (8)
22 Sing together, or such an arrangement (6)
23 Unique record (6)
24 Carriage with folding top containing money the French put in . . (6)
27 . . . and small company in the money (4)

Solution to Puzzle No. 4,590



(S) Stereophonic broadcast.

RADIO 1

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.00 Andy Peebles. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.30 Dave Lee Travis. 4.30 Peter Powell. 7.00 Dave Lee Travis with "Wheels." 8.00 Richard Skinner. 10.00-12.00 John Walters (S).

RADIO 2

5.00 am Ray Moore (S). 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.00 John Dunn (S). 2.00 The Ed Stewart Show (S). (2.30 Party Political Broadcast on behalf of the Labour Party) 4.00 Steve Jones (S). 5.45 News and Sport. 6.00 David Symonds with Much More Music (S). 8.00 Country Club with Wally Whyton (S). 9.00 Alan Dell with the Big Band Sound (S). 9.55 Sports Desk. 10.00 The Impressionists. 10.30 Star Sound Extra. 11.00 Brian Matthew with Round Midnight. 1.00 am Truckers' Hour with Sheila Tracy (S). 2.00-5.00 You and the Night and the Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (continued). 9.00 News. 9.05 This Week's Composers: Henry and William Lawes (S). 9.35 Dezso Ranki piano recital (S). 10.25 Amphion String Quartet (S). 11.50 Weber and Hindemith (S). 1.00 pm News. 1.05 Manchester Summer Recital (S). 2.00 Violin and Harpsichord recital (S). 3.00 BBC Symphony Orchestra in the Far East (S). 4.55 News. 5.00 Mainly for Pleasure (S). 7.00 Chopin piano recital (S). 7.30 War Music (S). 8.15 Martin's Petite Mass (S). 9.45 Words. 9.50 Haydn and Schoenberg recital (S). 10.20 Anne Manning (soprano) and the Nash Ensemble (S). 11.00 News. 11.05-11.15 Regal (S).

VHF only—Open University: 5.55-6.55 am and 11.15 pm-12.55 am.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today from Ellington Colliery, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News Headlines. 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Checkpoint. 9.30 The Living World. 10.00 News. 10.02 Policing the 80's. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Analysis. 11.50 Enquire Within. 12.00 News. 12.02 pm You and Yours. 12.27 Brain of Britain 1981 (S). 12.55 Weather; Programme News. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theatre. 4.00 The Loughton Singers (S). 4.15 Bookshelf. 4.45 Story Time (S). 5.00 PM: News Magazine. 5.50 Shipping Forecast. 5.55 Weather, Programme News. 6.00 News, including Financial Report. 6.30 Any Answers? 6.55 It's A Bargain. 7.00 News. 7.05 The Archers. 7.20 Time For Verse. 7.30 Kaleidoscope. 8.00 Concert from Carlisle, György Pauk (violin) and the BBC Northern Symphony Orchestra (part 1) Strauss, Mozart (S). 8.45 Gammell's Gardens. 9.05 Concert from Carlisle (part 2) Dvorak (S). 9.58 Weather. 10.00 The World Tonight. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.03 Morning Star. 10.03 The Robbie Vincent Telephone Programme. 12.30 pm London News Desk. 12.40 The Total Music Show. 2.30 Tony Blackburn. 5.00 News. 5.15 Music on the Move. 6.33 Opinions. 7.03 Black Londoners. 8.00 As Radio 1. 10.00 Question Time from the House of Commons. 11.00-5.00 am Join Radio 2.

London Broadcasting

5.00 am AM—Bob Holness and Douglas Cameron. 10.00 Brian Hayes. 12.00 LBC Reports. 7.00 pm London Life. 8.00 Nick Dudson's Nightline. 1.00 am Night Extra. 4.00 The London Interview. 5.00 Morning Music.

Capital Radio

7.00 am Mike Smith's Breakfast Show. 10.00 Michael Aspel. 12.30 pm Roger Scott. [illegible] Nicky Horne. [illegible] Midnight Special.

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. S 836 3161. CC 240 5258. STUTTGART BALLET Until Sat. Evgs. 7.30. Sat. Mat. 2.30. Tonight: SWAN LAKE. Fri & Sat: THE TAMING OF THE SHREW. Fri. [illegible] TO THE STRANGE LAND, RITE OF SPRING.

COLISEUM. S 836 3161. CC 240 5258. June 15 to July 11 HURLEY FESTIVAL. June 15 to 20 GISELLE with London Festival Ballet. Rudolf Nureyev will dance at every performance.

COVENT GARDEN. 240 1066. S. (Gardencharge CC 836 6903.) 65 amphi seats avail for all perfs from 10 am on the day of perf. THE ROYAL OPERA. Ton't, Sat & Tue at 7.30 Luisa Miller. Mon at 7.30 Nabucco. THE ROYAL BALLET. SADLER'S WELLS ROYAL BALLET. Tomor at 7.30 Swan Lake. Paquita. Sat at 2.00 Sinfonietta. The Two-Pigeons.

GLYNDEBOURNE Festival Opera with the London Philharmonic Orchestra. Until August 11. Few returns only. Some August perfs only. [illegible] Sun 4.55 Il barbiere di Siviglia. Sat 4.55 Le nozze di Figaro. SOLD OUT. Tel for possible returns. BOX OFFICE 0273 812411/813424.

SADLER'S WELLS THEATRE, EC1. Tel. 01-837 1672-1672-3856. Credit Cards 10 am to 6 pm 01-278 0871. Group sales Box Office 01-379 6061. Until June 20. Evs. 7.30. Sat. Mats. 2.30. MERCE CUNNINGHAM DANCE COMPANY. Tonight: Torse/Exchange/Gallopade. Tomor. Fielding Sixes/Tango-Locale/10's with Shoes (London Prem). Sat Mat Duets/Inlets Locale Sat Eve Fractions/Tango/10s with Shoes/Gallopade. Tkts £1.50 to £7.

THEATRES

ADELPHI. S. CC. 01-836 7611. Evs. 7.30. Sat. 4.00 & 7.45. Mats. Thurs. 3.00. TONY BRITTON, LIZ ROBERTSON, PETER BAYLISS and ANNA NEAGLE in MY FAIR LADY. Now booking through to October. Group sales 01-379 6061.

ALBERY. S. 836 3878. CC bkgs. 379 6565. Grp. bkgs. 836 3962 or 379 6061. Evs. 8.00. Thurs. Mat. 3.00. Sats. 5.00 & 8.00. OLIVER! with ROY HUDD. [illegible] HART'S musical PAL JOEY.

ALDWYCH. S. 836 6404. CC 379 6233. ROYAL SHAKESPEARE COMPANY. [illegible] NICHOLAS NICKLEBY. [illegible] THE BURNING PESTLE. [illegible] at The Warehouse.

AMBASSADORS. S. CC. 836 1171. Evs. 8.00. Tues. Mat. 3.0 Sat. 5.30 and 8.30. RECORD BREAKING 600 PERFS. DANGEROUS CORNER. [illegible]

APOLLO. Shaftesbury Ave. CC 437 2663. Evs. 8.00. Mats. Thurs. 3.00. Sat. 5.00 & 8.00. JAMES BOLAM, PAMELA STEPHENSON, RUSSELL HUNTER in CHARLES DYER'S CHARMING CHALLENGES. [illegible]

CAMBRIDGE. Earlham St. WC2. 01-836 6056. [illegible] WELCOME BACK FIVE LIMITED SEASON. [illegible] POPULAR AFRICAN MUSICAL IPI-TOMBI. [illegible]

CHICHESTER Festival Theatre. [illegible]

COMEDY THEATRE. S. CC. 01-930 2578. [illegible]

CRITERION. S. 930 3216. CC 379 6565. [illegible]

DRURY LANE. Theatre Royal. Tel: 836 8108. THE BEST LITTLE WHOREHOUSE IN TEXAS. [illegible]

DUCHESS. CC. 01-836 8243. [illegible] THE BUSINESS OF MURDER.

DUKE OF YORK'S. S. 836 5122. [illegible]

FORTUNE. [illegible]

GARRICK. S. CC. Box Off. 01-836 4601. [illegible]

GREENWICH THEATRE. S. CC. 858 7755. [illegible] DOCTOR'S DILEMMA.

HAYMARKET THEATRE ROYAL. 930 9832. [illegible]

HER MAJESTY'S. 930 6606-7. CC 930 4025-6. [illegible] FRANK FINLAY in the National Theatre's production of AMADEUS by PETER SHAFFER. [illegible]

KING'S HEAD. 226 1916. [illegible]

LONDON PALLADIUM. 01-437 7373. OPENS TONIGHT at 7.0. [illegible] MICHAEL CRAWFORD in the Broadway Musical BARNUM. [illegible]

LYRIC HAMMERSMITH. S. CC. 01-741 2311. [illegible]

LYRIC THEATRE. [illegible]

MAYFAIR. [illegible]

NATIONAL THEATRE. S. 928 2252. OLIVIER (open stage): [illegible] LYTTELTON (proscenium stage): [illegible] COTTESLOE (small auditorium): [illegible]

NEW LONDON. Drury Lane, London, WC2. 01-405 0072 or 01-405 1567. Booking now until Feb. 1982. Lowest previous [illegible] CATS. [illegible]

OLD VIC. [illegible]

OPEN AIR REGENT'S PARK. CC. S. 486 2431. THE COMEDY OF ERRORS. [illegible] Shakespeare Company Workshop today 12 noon. MUCH ADO ABOUT NOTHING opens next Tuesday 7.45.

PALACE. S. CC. 01-437 6834. RODGERS & HAMMERSTEIN'S OKLAHOMA! [illegible]

PHOENIX. S. 836 2294. CC 437 4506. [illegible]

PICCADILLY. S. 437 4506. CC 379 6565. [illegible] ROYAL SHAKESPEARE COMPANY in [illegible] EDUCATING RITA. [illegible]

PRINCE EDWARD. S. CC. Box Office 437 6877. CC Hotline 439 8499. [illegible] EVITA by Tim Rice and Andrew Lloyd-Webber. Directed by Harold Prince.

PRINCE OF WALES THEATRE. 930 8681. [illegible] DANIELS in IT'S MAGIC. [illegible]

QUEEN'S. S. CC. 01-734 1166. [illegible] PENELOPE KEITH, Peter JEFFREY, Barbara FERRIS in MOVING. [illegible]

RAYMOND REVUEBAR. CC 01-734 1593. [illegible] FESTIVAL OF EROTICA. [illegible]

ROYAL COURT. S. CC. 730 1745. [illegible]

SAVOY. CC. 01-836 8888. [illegible] SUSAN HAMPSHIRE, GERALD HARPER in FRANCIS DURBRIDGE's New Thriller HOUSE GUEST with PHILIP STONE.

SHAFTESBURY. S. CC. Shaftesbury Ave. [illegible]

ST. MARTIN'S. CC. 836 1443. Evgs. 8.00. Tuesday 2.45. Saturday 5.00 and 8.00. Agatha Christie's THE MOUSETRAP. World's longest-ever run. 29th year. SORRY, no reduced prices.

STRAND. 01-836 2660. 836 4143. Evgs. 8.00. Mat. Thurs. 3.00. Sat. 5.30 and 8.30. LONGEST-RUNNING COMEDY IN THE WORLD. NO SEX PLEASE—WE'RE BRITISH. [illegible]

TALK OF THE TOWN. CC 01-734 5051. [illegible]

THEATRE ROYAL, Stratford. [illegible]

VAUDEVILLE. S. CC. 01-836 9988. [illegible] DONALD SINDEN [illegible] PRESENT LAUGHTER by Noel Coward. [illegible]

VICTORIA PALACE. CC 01-828 4735-6. [illegible] FRANKIE HOWERD [illegible]

WAREHOUSE. Donmar Theatre, Earlham Street, Covent Garden. [illegible] ROYAL SHAKESPEARE COMPANY. [illegible]

WESTMINSTER. S. CC. 01-834 0283. [illegible]

WHITEHALL. Box Office Tel: 01-930 6692-7765. [illegible]

WYNDHAMS. S. CC. 01-836 3028. [illegible] ACCIDENTAL DEATH OF AN ANARCHIST.

YOUNG VIC. 928 6363. Evgs. 7.30. From June 12. Fri & Sat. 8.00. GODSPELL. New Production. All seats £2.50.

CINEMAS

CLASSIC 1, 2, 3, Haymarket (Piccadilly Circus Tube). 01-839 1527. 1: WEST SIDE STORY (A) in SUPER PANAVISION 70 mm STEREOPHONIC SOUND. [illegible] 2: THE HOWLING (X). [illegible] 3: SUPERMAN II (A). [illegible]

CLASSIC 1, 2, 3, 4, 5, Oxford St. 01-636 0310. [illegible] 1: THE POSTMAN ALWAYS RINGS TWICE (X). [illegible] 2: NIGHTHAWKS (X). [illegible] 3: THE LONG GOOD FRIDAY (X). [illegible] 4: ORDINARY PEOPLE (AA). [illegible] 5: AIRPLANE (A). [illegible]

CLASSIC, Leicester Square. 01-930 6915. THE HOWLING (X). [illegible] SEVEN (X). [illegible]

CURZON, Curzon Street, W1. 499 3737. BURT LANCASTER, SUSAN SARANDON in LOUIS MALLE'S ATLANTIC CITY (AA). [illegible]

ODEON HAYMARKET (930 2738-2771). CHARIOTS OF FIRE (A). [illegible]

ODEON LEICESTER SQUARE (930 6111). THE POSTMAN ALWAYS RINGS TWICE (X). [illegible]

ODEON MARBLE ARCH W2 (723 2011-2). A STAR IS BORN (AA). [illegible]

PRINCE CHARLES, Leic. Sq. 437 8181. [illegible] CALIGULA (X). [illegible]

STUDIO 4, Oxford Circus. 437 3300. [illegible] SUPERMAN II (A). [illegible]

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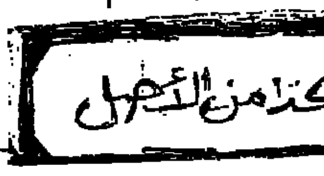

FINANCIAL TIMES SURVEY
Thursday June 11 1981

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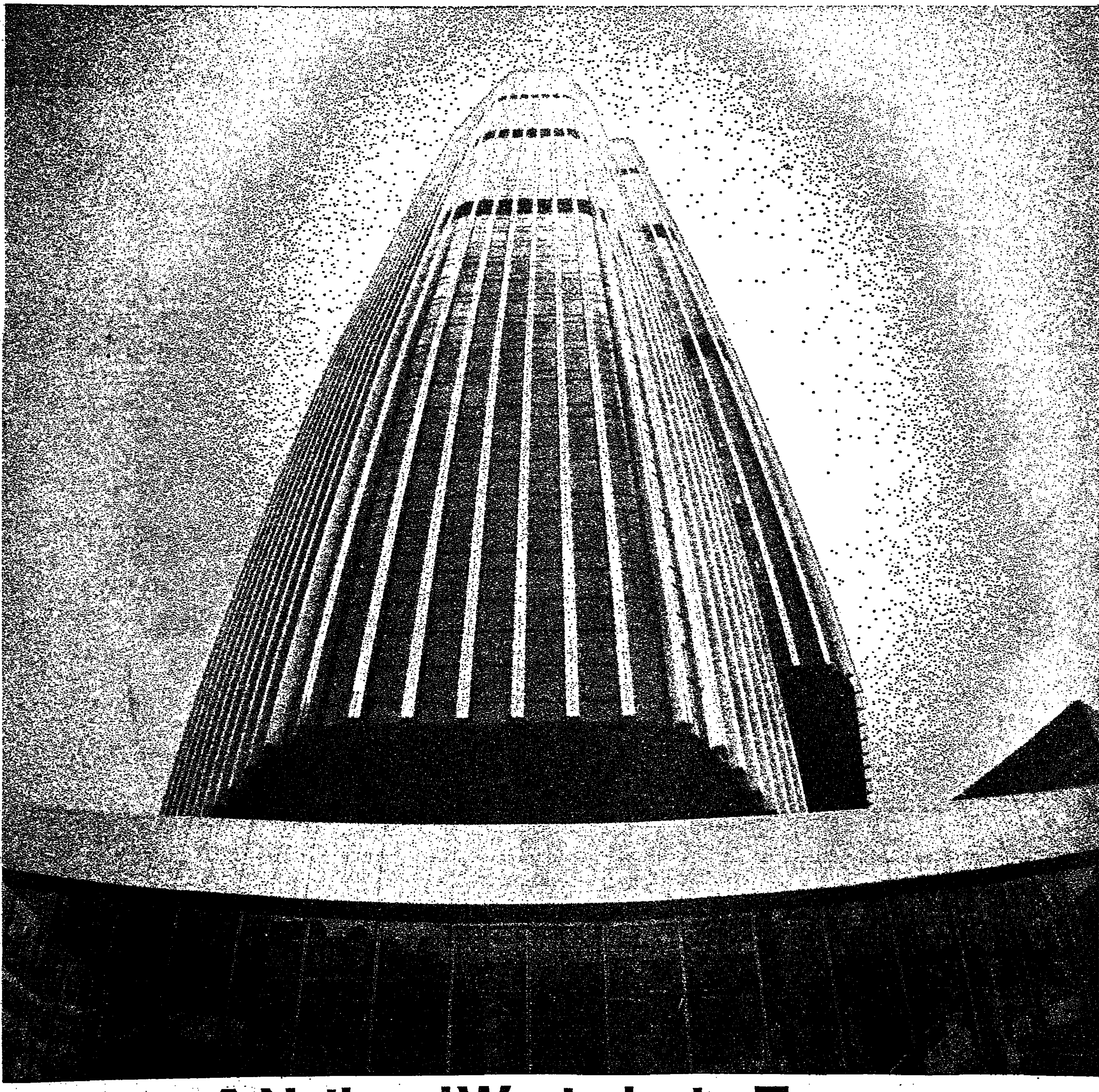
National Westminster Tower

City of London planners have for long seen a need for a tall building to bind together the random collection of post-war City office blocks. The public agreed with them and the result is the National Westminster Tower, at 656 ft. the tallest cantilevered building in the world, which is to be opened today by the Queen.



Colin Amery, Architecture Correspondent, charts the development of Europe's highest office building

Imperative need for speed and efficiency

WHEN THE QUEEN opens the National Westminster Bank Tower today her visit will mark the end of a long and complex story of one of London's great buildings.

The tower is the tallest solid structure in Britain standing 200 metres (656 feet) high on a relatively small site in the centre of the City of London. It does not have any rivals as the tallest cantilevered building in the world and as Europe's highest office building.

The architects are Richard Seifert and Partners, a firm that has done more than any other to change the face of London since the war.

The construction of the tower was much delayed by planning complications and after a wait of nearly 10 years the need to build fast and efficiently was imperative. The story of a building operation of this scale is one of collaboration and teamwork. By the time the architects were appointed, the contractor, John Mowlem and Co and the mechanical engineers, Troup Bywaters and Anders, had been selected. As Seifert and Partners has worked closely on other major building projects with structural engineers Pell Frischmann and Partners, their appointment brought to the National Westminster scheme the advantage of shared construction experience.

From the beginning of the design process the architects chose a central core of concrete with three "leaves" of office floors either supported or partly suspended from structures projecting from the core. The final form of the building is, of course, the result of long and detailed discussions between the client and the architect and the planners of the City of London.

The fact that the final design solution was a tall tower on a confined site imposed equally important constraints on the structural and service engineers working alongside the architects.

Before considering the special problems of organising the specification and contract management of a building the size of the tower it is worth considering some of the building's vital statistics. While the overall height of the tower is 200 metres (656 ft) the actual height above the street is 183 metres (600 ft)—Big Ben is over 300 ft high and the Post Office Tower is a little under 600 ft.

There are 52 floors and the usable floorspace is 29,000 sq metres allowing room for around 2,500 office workers.

Tower's weight

The weight of the tower is 130,000 tonnes and 100,000 tonnes of concrete has been used in the construction. The weight of steel used in the structure is 3,800 tonnes and there are 12,000 sq metres of glass.

The statistics of the timetable of construction are also interesting. Outline planning permission was first given in 1964. The scheme received detailed planning approval in 1970 with demolition starting on the site in August 1970. Construction work started in 1971 and the building of the concrete core began in October 1975 and was completed in February 1977. The building began to be occupied in 1979 and was completely occupied in 1981.

The cost of the development —the tower, two low level blocks and associated site works —comes to £118m in gross terms. The actual cost of the tower itself is around £82m. The National Westminster Bank says that the net cost to the bank is considerably less because of tax and other advantages.

The planners of the City of London decided that what the City needed was a tall vertical building that would help to bind together the rather random collection of high office blocks that had grown up in the City since the Second World War.

The National Westminster site was in the right place for just such a building with full visibility from all parts of the City and from the river. The City also wanted to incorporate into any new building the high level walkways that were planned to continue from the London Wall development.

Planning and daylight controls and the prohibition of a tall building abutting the pavement produced a tall narrow tower that would both act as a City landmark and accommodate the 78,500 sq m of office space granted by the planning permission.

After lengthy discussions with the Royal Fine Art Commission, the Greater London Council as well as the City Corporation, a full scale public exhibition was held to show, not just one scheme, but two. One scheme was the single tall tower and the other was a 122 m high block and a subsidiary smaller block.

There was a clear public preference for the tall single block, a feeling that the City needed a good tall prominent modern building rather than any more of the rather indifferent medium height buildings. The public will matched the developer's desire and the architect's more adventurous design was vindicated.

The need for daylight suggested a tower that was roughly triangular in plan and the need for slimness meant that the architect should shave off the corners of the triangle. The building's silhouette was further slimmed by the cutting of a groove up the middle of each of the three sides and a final curving of each side in towards the centre of the building.

Looking at the building from a short distance away, its sides appear to recede, adding to the elegant slimness of the tower. Like the same architect's Centre Point tower in London, this building has a very distinctive form that is a positive addition to the London skyline. The form of the three "leaves" of the office floors is clearly realised on the outside of the building. There is in fact office space on 38 of the 52 floors of the tower.

The podium of the building had to be of such a restricted height that it prevented the provision of office space in the lower part of the tower, the concrete core passing through the podium.

Inside the concrete slipform core are two escape stairs, fire-fighting lobbies, lifts, lavatories and the main ducts. Inside these ducts are all the vertical service risers that run between the main plant rooms at basement and roof level, and the intermediate plant rooms.

The distribution of services from the intermediate plant floors to a typical floor is by ducts that are carried on the outside of the building alternating with the structural mullions. This method of distributing services means that the ducts and the structure form the basic grid of steel that frames the curtain walling. The glass is bronze glazed anti-sun and the intermediate panels are opaque and enamelled.

The washing of the acres of glazing posed some design problems that have been solved by the installation of completely automatic window-washing gear. Movement within the tower is by means of four double-deck lifts travelling at 427 metres a minute.

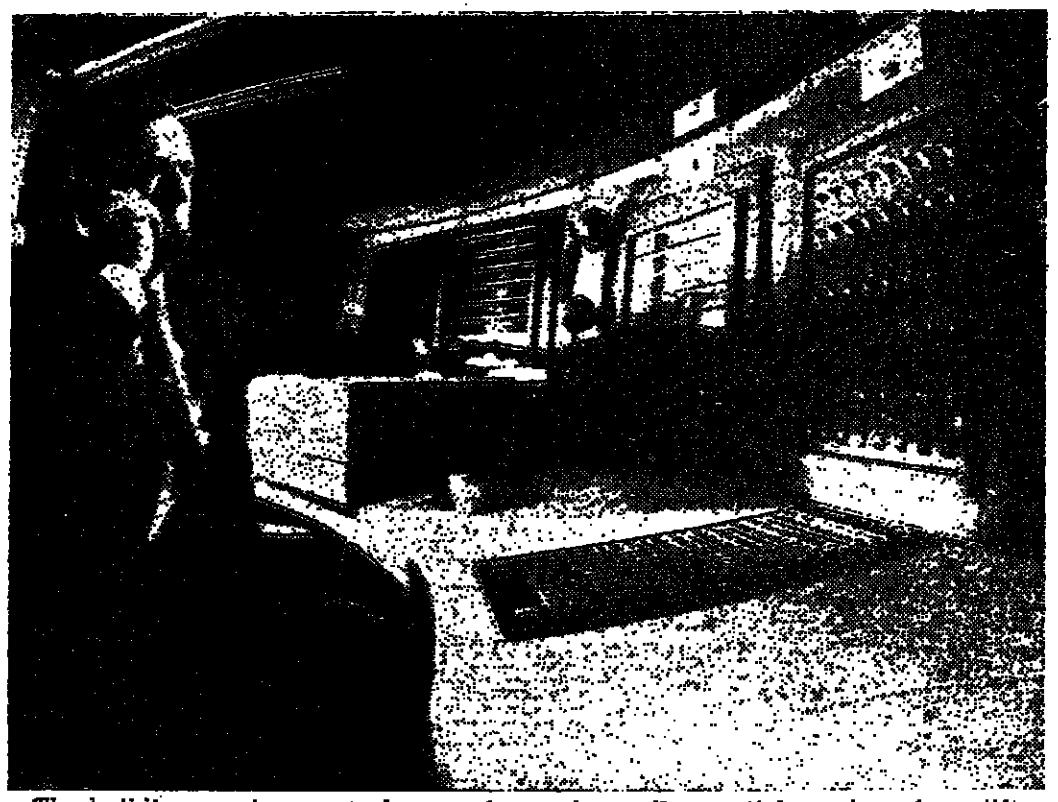
New procedures for costing and contracts had to be evolved for a building of this scale. For London, the tower was a pioneering building, not just in the physical mastery of the subsoil but also in cost estimating for materials and programming the construction work on a tight inner city site. Working with the architects and consultants, the firm of Rosser and Russell solved many of the technical and managerial problems in the course of a long contract period.

Project co-ordination and leadership of a consortium of building/service/design companies fell to Rosser and Russell. The need for intense discipline and ingenuity on a project of this scale is not difficult to conceive. For example the final design of the building's services had to cover air-conditioning, ventilation, heating and cooling, fire and public health services, water, electrical and gas services, a fire detection system and a highly sophisticated building services control centre.

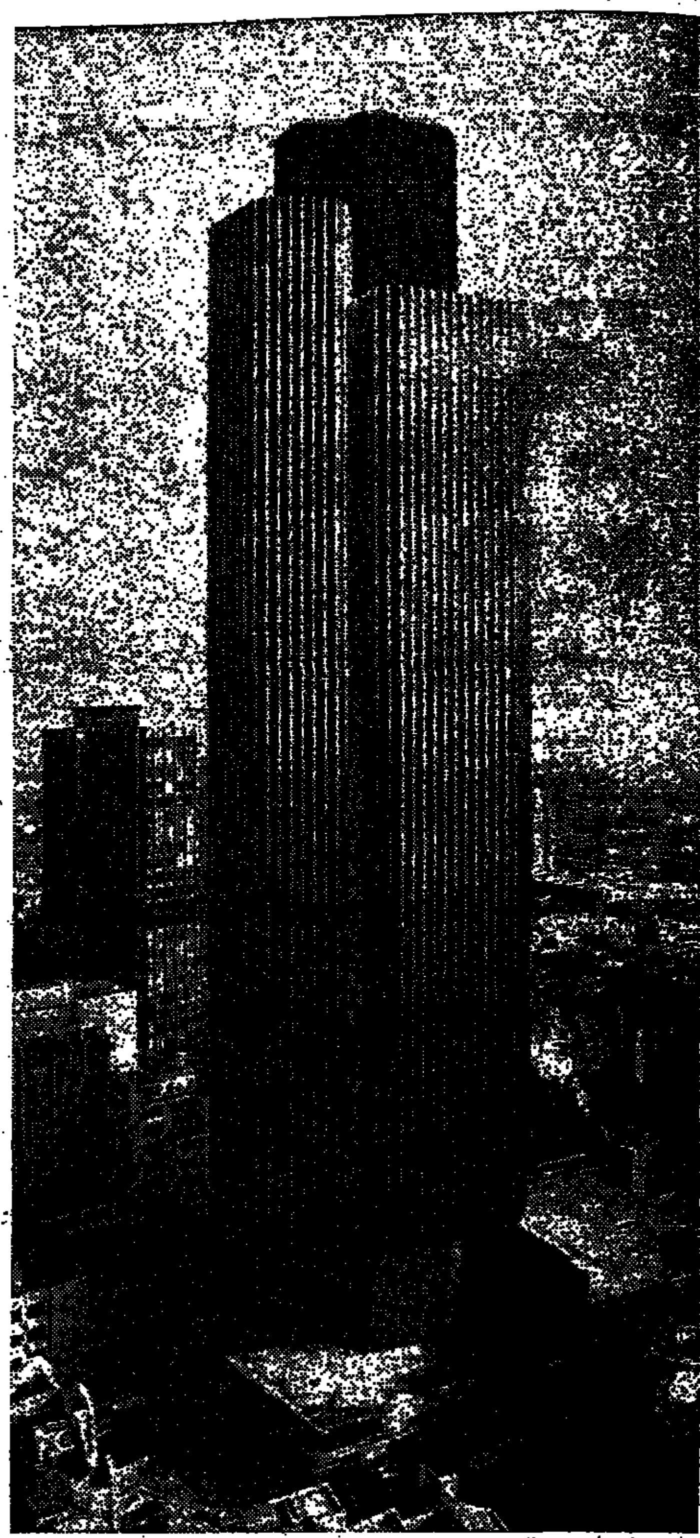
The problems of raising this great tower to the skies were met by ingenuity at all levels. The bank itself had the foresight; for example, at a time when the supplies of steel were unreliable, to stockpile reinforcement steel before massive increases in price.

The most ingenious sides of this development as it grew were the engineer's design solutions for foundation, core and cantilevers, and the unique climbing platform system of slip forming for the main tower core devised by the main contractor.

Using this technology, there was no reason why the tower could not have risen as high as 250 or 300 metres.



The building services control room, from where all essential services, from lifts to air conditioning, are monitored



Hugh Routledge

A view of the completed tower showing the very small site on which it stands

Seifert designs with his clients' views very much in mind

THE ARCHITECTURE

COLIN AMERY

IT IS impossible to talk about the architecture of the new tower without talking about the architect himself in some detail.

Richard Seifert has designed more of London's post war building than anyone else. He opened his own practice in the City in 1934 after his war service he started his architectural life by designing industrial buildings.

In the 1950s, when building licences were revoked, Seifert was in the right place at the right time and he made full use of his opportunities. Woolworth House on Marylebone Road was built in 1955 and is one of his first large office buildings.

In the 1960s, the Seifert style settled to a very recognisable mould. The Tolworth Tower, Space House (a drum shaped building in Kingsway) and particularly Centre Point are all distinctly Seifert buildings. He gained distinction for his skills at dealing with the planners as much as for his designing expertise.

All these buildings of the sixties make use of concrete—Centre Point is formed from prefabricated concrete units hoisted into position on the site very much like a Meccano set.

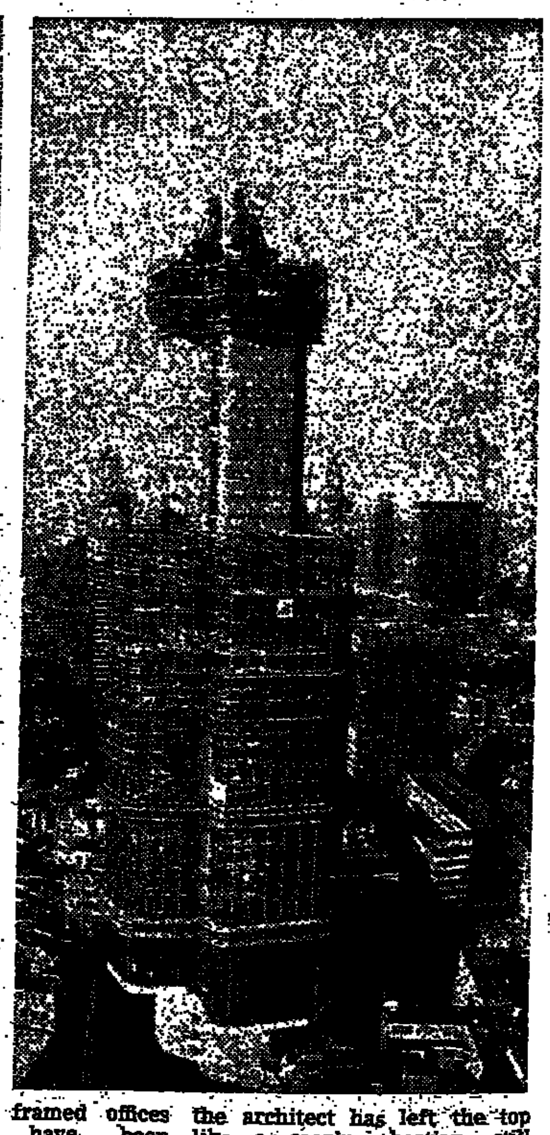
Today, Seifert's firm has a rather different aesthetic, using much more glass and often a skin of polished granite and glass. Granite will certainly wear better in the London climate than concrete which is liable to staining and soiling.

Richard Seifert's views on design are unusually open for an architect and there is no doubt that the National Westminster tower demonstrates them clearly, particularly in relation to the collaboration necessary with the other consulting firms. In the Seifert office, more than architecture is practised. He has his own mechanical and services department and a landscaping and model making section. Technology and architecture work together as one discipline in the development of ideas in his practice.

With his broad views and open mind about the development of technology and building it may well be asked why are Seifert's buildings not as technologically developed as, for example, the buildings by Richard Rogers and Norman Foster? The answer lies in Seifert's own pragmatism—he is not involved in the risk business. If his buildings appear conservative or unexceptionable it is because they fit the bill demanded by his clients.

In fact the National Westminster tower is full of advanced technology while the image it presents to the world is perhaps not as flashy as the more overtly technological buildings designed by some of the younger architects.

The genesis of this building lies in the clover leaf shape of the plan and the development of the cantilevered structure from a solid core. The combination of a great deal of vertical circulation with a tall thin building often means that there is a shortage of workable floor space.



Richard Seifert, an architect with broad views and an open mind about the development of technology and building. Right: The cantilevered "leaves" of offices being built up the sides of the completed central core. They give the building its clover leaf shape

Consolidation

In this tower the architect has achieved a consolidation of the service core so that the ratio of usable office space to gross floor area is as high as 0:74. On each floor there is almost 1,000 square metres of net office space. Circulation space on the office floors is also used as a kind of buffer zone around the lift core allowing for the offices themselves to reach out to the windows on the perimeter of the building.

It was very much the architect's own decision not to emphasise the structural innovation of the tower on the outside of the building. The concrete platforms that support the floors of steel framed offices could easily have been emphasised as structural features, but the view prevailed, quite rightly, to emphasise the verticality of the tower. The engineering of the concrete is concealed behind the stainless steel ribs and the bronze cladding.

The ingenuity of using the steel ribs on the outside of the building as both structural columns and ducts for services is something that the casual observer is unlikely to appreciate.

The beauty of the building lies in its very pleasing curved walls which can be appreciated from both inside and outside the tower. From a distance, the most remarkable feature of the building, apart from its height, is the rather curious nature of the top of the building. The three office sections end at slightly different heights and the central core, clad in a darker cladding material, hits the sky at the highest point of the building.

The result is rather craggy and unresolved—the soaring gleaming sides of the building are somehow deprived of the ultimate climax. The top of a high building is the most difficult design problem and here the architect has left the top like a soaring bastion, still chunky and uncompromising.

Interestingly enough, as the National Westminster Tower is opened, the Empire State Building in New York celebrates its 50th birthday. This building at 1,250 feet (nearly a quarter of a mile) is the old lady of the high building world. She is no longer the world's tallest building—that distinction belongs to the Sears Tower in Chicago at 1,454 feet—but she is still the most elegant.

The architects of the Empire State, Shreve, Harman and Lamb, recessed the facades and gradually slimmed the tower down as it reached for the sky. It is remarkable to reflect that once the basic decisions were made, the Empire State Building was built in a year and a half.

What is the effect of the National Westminster Tower on the London skyline? Despite its rather unadventurous silhouette, the effect on the distant views of the City are quite pleasing. It looks particularly good at night when it achieves the purpose the planners gave it of unifying the rather disparate towers of post war London.

From left: Part of the tower's reception area; the open-plan area occupied by the International Division's inland payments section; and one of the staff restaurants

Exterior architectural skills not reflected inside

OFFICE PLANNING

COLIN AMERY

INSIDE THE gleaming walls of the tower there are two different experiences for the visitor and those who work there. One is the experience of the actual interior space and the other is the far more remarkable view.

Alas it has to be said that the interior of the building is something of a disappointment. The elegant curved shape of the plan and the gently curving walls are not incorporated in any way as part of the interior design of the offices. Indeed the feel of the offices is that they have been arranged and decorated as though they were ordinary box like rooms in a very ordinary office block.

The first remarkable thing that you notice if you visit any of the office floors is that the window wall is entirely glass. The windows stretch from floor to ceiling in a completely uninterrupted way. There are no sills or rails between you and the view. At floor level the air conditioning grilles are well detailed, running flush to the floor right up to the window.

But this kind of architectural and servicing neatness is seldom seen anywhere else in the building's internal finishes. Office ceilings are absolutely routine fibre board panels that are the standard rectilinea ones and they bear no relation to the subtle curves of the building. The light fittings are also of the most routine kind, making no allowances for the curves of the core or the walls.

The fitting out of the offices has been done by the bank, not by the architect. This has led to the standard range of partitions and furniture being employed which lack any kind of distinction or even recognition of the fact that they are in a rather special building.

The interior of the building, working down from the top, has five plant rooms, below which are 41 floors. Of these, 38 are occupied by offices and three floors by more plant rooms which are interspersed between the offices. The entrance floors take up three levels and in the basement there are two more floors of plant rooms and some garages. The entire building is occupied by the bank's International Division which employs 2,500 staff.

The operational work that takes place in the building is therefore of a fairly routine clerical kind and the planning problems are concentrated on the need for good communications between the floors and a speedy document delivery and, of course, advanced telephone equipment for world-wide contact with foreign exchange dealers and the banks.

The internal post system uses an advanced kind of "railway." Watching the arrival departure of slim and streamlined boxes of mail in the post room is like watching a miniature railway junction at work.

There can be no doubt that it is the rooms at the top of the tower that offer the most excitement. The very top floors are reserved for top management and executives and for entertaining and meeting rooms.

The standard of interior design is higher at this altitude, although it would not be possible to describe any of the rooms as in any way remarkable. There are curiosities like the long table that follows the curve of the building's outer wall, making it perfectly possible to be seated at one end of the curve and not see your fellow diner at the other end. There is one curved staircase that breaks through the floors so that executives and bank board members can move between floors without using the lifts.

The eight year building time for the tower and the various advances made in the technology of high buildings from the point of view of structure and contract planning have left the interiors of this building untouched.

Of course one is aware of the complexities of the air conditioning and the sophisticated computer of the building's control centre, that for example, can turn off lights to save energy—but the actual everyday surroundings for the office workers remain much the same as they would in any ordinary speculative office building.

Compensation

It is sad that the architectural skills which were so clearly employed on the structure and exterior of the tower seem to have been ignored inside the offices. If economy was the aim it is a false one in a building that has already cost so much. One of the canteens seemed to me to be shoddy and unattractive in its furnishings and colour schemes.

There is one compensation for the dull interior design of the building and that is the stupendous views of London, and the counties of Kent, Surrey, Sussex, Berkshire, Buckinghamshire and Hertfordshire—all of which really can be seen from the top of this remarkable building.

Division supplies big share of profits

From left: Mr. Ron Bennie; his brother, Mr. F. G. "Jack" Bennie; Mr. Eric Carter, deputy group chief executive responsible for international business; and Mr. John Coombs, in charge of the bank's new executive office for the Far East and Australasia

"Our status in the world is now symbolised in a new way by the completion of the National Westminster Tower"—chairman's statement, National Westminster Bank, 1980.

THE NEW tower, the headquarters of National Westminster's international banking division, emphasises the rapid growth in this area of the bank's operations.

Indeed it is no longer big enough to accommodate all the bank's London-based international staff. Nevertheless it brings together 2,500 people who have previously been scattered around 14 other offices in the City and for the first time in the bank's history bring most of the major international operations under one roof.

International banking contributed £155m, or 35 per cent of the bank's profits, last year yet National Westminster is still a relatively young international bank. This has its advantages plus occasional drawbacks.

Unlike Lloyds and Barclays, which have long had international Retail Banking operations in the form of the old Barclays DCO (Dominion, Colonial and Overseas) and the Bank of London and South America, National Westminster had only a minimal overseas representation at the time of the merger in 1968.

Its only real overseas operation was the International Westminster Bank which had started life in 1913 as the London County and Westminster Bank (Paris). Ten years later it was renamed the Westminster Foreign Bank and its main sphere of operations was France.

At the time of the 1968 merger of the National Provincial and Westminster Bank, the combined group had total international assets of under £1bn. By the end of 1979 international assets had topped £12bn and they are now considerably higher.

Over the last decade, National Westminster has followed a strategy of developing itself into a diversified international bank mainly concentrating on wholesale as opposed to retail banking. In the early years its efforts were hindered by the perennial weakness of sterling which eroded its international capital base. Nevertheless, National Westminster must now rank among the world's major international banks.

The National Westminster nameplate can be found in most of the world's major money centres and the bank has established itself as a significant force in the Eurocurrency market, both as a lead manager and provider of funds.

Its World Money Centre in London, for example, is one of the largest dealing rooms in the world and is linked to 11 other dealing rooms in financial centres in Europe, Asia and North America. Dealing goes on 24 hours a day seven days a week.

The International Westminster Bank still plays a key role in National Westminster's international strategy, but it is largely confined to the London-based eurocurrency markets. However, it retains branches in France (six), Belgium (two) and Germany (one).

Today, National Westminster offices can be found in Australia, the Bahamas, Bahrain, Canada, Greece, Hong Kong, Japan, Mexico, Singapore, Spain, Sweden, the U.S. and the USSR.

In addition to its branches and representative offices overseas, National Westminster has also pursued a policy of acquiring substantial equity stakes in major European banks. The group now claims to have the most extensive interests in Western Europe of any UK bank.

Among its major European investments are: a 30 per cent stake in F. Van Lanschot, a Dutch private bank; 31 per cent in Creditwest, an Italian commercial bank; 72 per cent of Handelsbank in Zurich and 100 per cent stake in Global Bank AG of Germany. In addition it has a 5 per cent interest in Credit du Nord, which has 530 branches in Belgium and France, and a 2 per cent stake in Compagnie Financiere de Paris et des Pays Bas.

However, these investments are overshadowed by the decision to buy the National Bank of North America (NBNA) for $431m. The deal was completed in April last year and was followed by the injection of a further $25m of equity capital, and the purchase of 16 former Bankers Trust branches in New York.

NBNA now boasts a network of 156 branches in New York City, Long Island and Westchester County as well as a branch in the Bahamas and representative offices in Hong Kong, Rio de Janeiro and London.

The acquisition of NBNA is a very significant step for National Westminster not just because of the size of the purchase, but also because it is a major move into U.S. retail banking and contrasts with the policy of developing wholesale and corporate international banking business which had previously characterised National Westminster's overseas expansion.

National Westminster has paid a significant premium over net asset value (1.7 times) for NBNA and it will be some time before the bank is earning the sort of returns which will justify the scale of investment.

BANKING ROLE

WILLIAM HALL
BANKING CORRESPONDENT

However, the acquisition of NBNA is regarded very much as a long term strategic investment. It gives the bank access to a substantial retail dollar deposit base and a major foothold in what must be the world's biggest banking market.

Mr Ron Bennie has the job of running the international division and is the senior banker in the National Westminster Tower. On a clear day at the top of the tower he can see where he was born (Norwood) and the old Westminster Bank branch where he started (West Norwood and Tulse Hill).

Like so many of his colleagues in the international banking division, Mr Bennie has come up through the UK clearing bank system. After the army he resumed his career at the Herne Hill branch and by 1969 had become assistant general manager of the West End (Central) area office. From 1972 to 1974 he was the manager of the Threadneedle Street office before returning to become area director of West End Central.

Immediately prior to his appointment as general manager of the bank's international banking division in April 1980, he had been reorganising Centre-File, the bank's computer bureau subsidiary which is one of the country's biggest computer services companies. As managing director he oversaw its heavy re-equipment programme and steered it back to profitability.

An interesting footnote to the new tower is that Mr Bennie's brother, Mr F. G. "Jack" Bennie, is the bank's general manager responsible for the premises division and consequently the senior executive responsible for the construction of the tower. It is rare to find two brothers as general managers in the same clearing bank and possibly worthy of mention in the Guinness Book of Records that Britain's tallest solid structure and Europe's second tallest, was built by one brother's division and occupied by the other brother's division.

Mr Ron Bennie's immediate superior is Mr Eric Carter, the deputy group chief executive, responsible for international business. However, to all intents and purposes Mr Bennie is the man in day-to-day charge of the international division.

The division is in the process of being restructured and all the appointments have not yet been announced. Nevertheless its future structure is clear. At the centre of the division are Mr Bennie, his deputy, Mr John Plastow, and three senior executives. This core of five people will have six regional general managers reporting to them — five responsible for geographic regions (Europe, Africa, Middle East, Far East, North America) and one responsible for corporate business.

The bank's business has grown to such an extent that it has begun decentralising regional chunks of its senior management. The first to go was North America, and an executive office was established in New York some time ago to oversee the North American operations.

More recently, the bank has announced that it has established an executive office for the Far East and Australasia, in Singapore. It will have a catchment area extending from China to Australia and will include Burma, Thailand and Malaysia. The new office, which will take over the management and control functions currently carried out by the London head office, will have overall responsibility for the existing branches in Singapore, Hong Kong and Tokyo plus the representative offices in Sydney and Melbourne.

The new executive office, which was only established at the end of May, is headed by Mr John Coombs, who has been responsible since 1972 for the development of the bank's Japanese business and has been resident in Tokyo. He will be called the regional general manager for the Far East and Australiasia in his new post.

In terms of physical growth National Westminster's international division has completed a large part of its global expansion. However, Mr Bennie believes that the next five years will continue to see substantial expansion in key areas such as North America where the bank has to position itself for the day when the barriers to inter-state banking disappear.

The Pacific and Australasia are other areas earmarked for further substantial growth. Given the fierce competition in the eurocurrency markets and the thin margins, he sees scope for further concentration on fee earning services and corporate banking. Profit, rather than asset growth, is Mr Bennie's preoccupation and he stresses that he is a "bottom-line man."

Occupied since Roman times

THE SITE
COLIN AMERY

IN THE square mile of the City of London every inch of the land is steeped in history. The triangular site occupied by the new National Westminster Bank tower is no exception.

It is almost certain that there were Roman villas on the site, but it is not until 1231 that a clearer picture of the past emerges. There was certainly a scholastic establishment there and the reign of Henry VIII and Elizabeth I saw the development of St. Anthony's school, a college that rivalled the cathedral school of St. Paul's.

A Huguenot church, established by the French silk weavers escaping from religious persecution in their own country, stood at 51 Threadneedle Street until 1841. A less successful venture was a Hall of Commerce that was built on the site to encourage business matters out of the inns and coffee houses. It was a commercial disaster. The South Sea Company also had premises on Threadneedle Street near this site.

The most important historical figure associated with the site was Sir Thomas Gresham. As a rich and successful merchant, banker and mercer, he built a large and impressive mansion that he planned to turn into Gresham College. Out of this college grew the distinguished and still flourishing Royal Society. In time, the College building became the headquarters of the Excise Office where dues were collected on behalf of the Crown.

The inevitable growth of their activities led to their move to Somerset House in the Strand in 1948. A new Gresham House was built on the site. This was purchased by the National Provincial Bank in 1959 to become the site for a new head office.

The merger with the Westminster Bank in 1969 brought together two important City institutions on a site that was already rich in history.

History carries with it responsibilities and problems. On the site that the bank hoped to develop were two important buildings, the National Provincial Bank's own banking hall on Bishopsgate and the City of London Club, better known as the City Club, at 19 Old Broad Street.

During the 21 years that processes of planning and development have spanned, both these buildings were officially listed as of historical importance. The history of those conservation battles is beyond the scope of this article, but they were long and complex and raised several important questions about the quality of the visual and architectural environment in the City.

The City Club was designed by Philip Hardwick from 1833-1834, it is distinguished by its reticent stucco front seven bays wide with a high attic storey and inside by a fine staircase which branches from one flight into two. The large dining room on the ground floor behind the staircase has very grand arched windows looking on a small court. The Club has been very successfully remodelled by the Louis de Soissons Partnership.

Magnificent

The banking hall in Bishopsgate is by John Gibson and was built between 1863 and 1865. It is a magnificent classical building and perhaps one of the finest banking halls in the City. Gibson was architect to the National Provincial Bank from 1862 and he built about 40 of their branch banks as well as this head office.

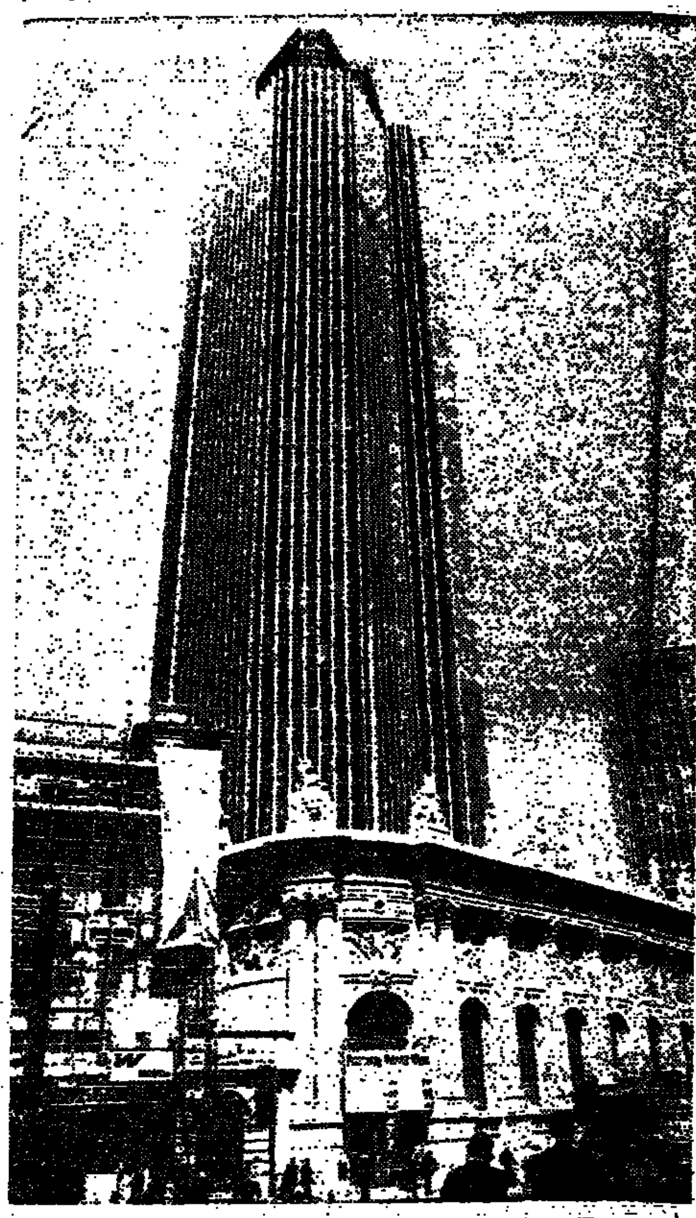
The grand single storey banking hall inside is a mass of red marble columns and is lit by three glass domes. Outside, the giant order of Corinthian columns have a great swagger and confidence. The carved frieze around the building deserves very close attention. It lovingly illustrates the arts, commerce, science, manufacture, agriculture and navigation. On the parapet are figures representing the main towns served by the bank, London, Birmingham, Dover and Manchester. Manchester is represented by a female figure attended by a negro with raw cotton and a workman with a bale of cotton goods.

These two fine Victorian buildings are to be preserved alongside a monumental example of 20th century architecture.

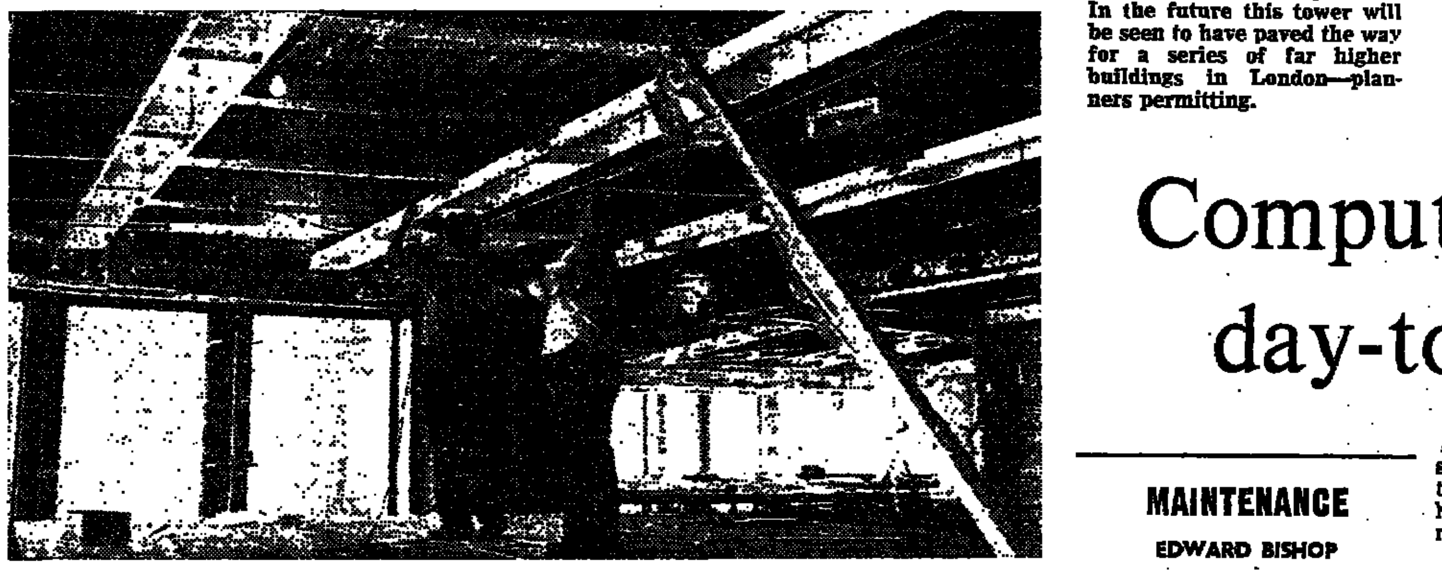
The development of the tower suffered further delays from the imposition by a Labour government of office development restrictions which put this project on ice until 1968, nine years after the acquisition of the land by the then National Provincial Bank. The late listing of the City Club—it was not listed until 1974 when construction was well under way—meant that the lower phase 2 had to be changed substantially. The listing also meant that the bank had to reapply for planning permission for the whole site.

This was by-passed in fact by a legal reinterpretation of the offending Section 45 of the 1971 Town and Country Planning Act allowing development to proceed.

A view from the air shows what a small site—0.8 of a hectare—the tower occupies. Development at a plot ratio of 5½ to one allowed a total floorspace of 78,500 sq metres. In the future this tower will be seen to have paved the way for a series of far higher buildings in London—planners permitting.



The new tower stands above the Victorian Classical splendour of the former head office of the National Provincial Bank, now a listed historic building being converted into a conference facility for the National Westminster Bank



Work progressing on the lighting system. Fifteen miles of fluorescent tubes and 12,500 individual fittings and diffusers have been supplied by Thorn in the largest single-project office lighting contract yet placed in Britain

Emphasis has shifted to operating needs

PROPERTY MANAGEMENT
WILLIAM COCHRANE

WHEN The District, National Provincial and Westminster banks merged to form the NatWest at the end of the 1960s, they put together a massive property portfolio. In UK retail banking, it had 3,646 branches on January 1, 1970—but in some cases NatWest had three branches looking at each other in the same High Street.

Central management gave itself two main tasks in property administration at that time: first, to rationalise retail banking in the UK; and secondly, to take advantage of the property market and particularly property development while it was booming.

The programme was managed through NatWest's regional office structure, with head office in London responsible for policy and general direction. NatWest appointed Mr H. ("Bert") Campion Smith—subsequently and still chief manager of the premises division—as property development manager at the outset.

At that time the group had some big city developments under way, and some of those of "enhanced" size. With developments in Birmingham, Leeds and Manchester as illustrations. Bert Campion Smith says that this type of operation provided for the bank's operating needs with a surplus for letting—but, he emphasises, "in general our operating needs came first. Our resources were used to answer those needs and very little was spent on purely speculative development."

High hurdle

Mixed developments took in shops and offices, much more of the latter than of the former. The bank was also looking at several possible redevelopment situations, putting the banking premises on the first floor above shopping on the ground — Hanley, in Staffordshire, is one which happened.

Here unfortunately, it came upon a pretty high hurdle. "We invariably found ourselves frustrated beyond measure by planning, preservation, and conservation," says Mr Campion Smith. NatWest was all for preserving the old, and the good; it was not amused by outsiders' fervour for "interesting bits of Victoriana," of otherwise questionable quality.

After the property boom collapsed in 1975 NatWest's motivation shifted to deal almost exclusively with its own operating needs; building costs had risen faster than rents and developments had lost their "golden gloss."

Meanwhile, between 1970 and 1975 NatWest had spent in the order of £178m on its property rationalisation and redevelopment programme. At the same time it was redeveloping the Tower site, rebuilding its Coutts Bank subsidiary's head offices in the Strand and building its management services centre at Goodmans Fields in East London.

Figures highly

These three developments came to about £200m. So the overall cost of the programme figures very highly indeed in the bank's balance sheet figure of over £700m for UK properties at the end of 1980.

All this is a mere outline of what happened in a little over a decade, as is the reduction in the number of NatWest branches from 3,646 at the beginning of 1970 to 3,208 at the end of April this year. In that period around 430 branches were opened and some 870 closed down.

Among the city developments, Birmingham's Colmore Centre effectively consists of three buildings, two low-rise buildings and one high (over 20 storeys), incorporating a large branch bank, a large international office, regional offices and quite a lot of space let to professionals and commerce.

Manchester is a similar mixture of low rise and high, the latter 15 storeys, with shops, a branch bank and offices, partly for NatWest itself and partly let to professional tenants.

In London the accent seems to have been on operating needs. The Tower has enabled NatWest to rationalise its international operations and move out of various floors in the City of London—those, for example, in the Stock Exchange and Commercial Union buildings.

"There were no big properties to sell," says Mr Campion Smith, "just leases to assign," and, it seems, not a lot of inherent value in those.

In distinct contrast to the late 1960s, when the constituent banking groups at the time of merger had consultants advising them on the way ahead, NatWest is not keen on speculative redevelopment prospects in the country in general, and outside the south east corner of the UK in particular.

Its view, along with that of the other clearing banks, has been sharpened by the "excess" additional profits tax imposed upon them in the last Budget.

Its decisions, Mr Campion Smith emphasises, are being taken against a financial background where first priority on cash flow goes to the business of keeping the banking business going.

But one big scheme, in Shaftesbury Avenue in the West End, is estimated at a building cost of £3.5m for the shell, excluding land, for 37,800 sq ft of gross area.

Coming back to the high hurdle, Mr Campion Smith has a general complaint and uses a present branch development in Taunton, Somerset, as an illustration. NatWest is building in Taunton on the ground floor retail, first floor banking concept.

It took years to get planning consent, he says, because somebody said: "your elevation—frontage as seen from the street—is precious."

In 1973 NatWest bought one of the properties next to its site; in January 1974 it submitted a planning application; "permission was not granted until September 1975 . . . and we didn't begin building work until 1979 because of changes in the property scene which affected our viability studies."

NatWest knew that it was building for the future when it put its rationalisation and redevelopment programme together in the early 1970s.

"In almost every case where we built more than our immediate and actual needs," says Mr Campion Smith, "we have provided the facility for expansion of our occupation."

It is also worth pointing out at this stage that NatWest is fully aware of the economics of building to permitted plot ratios—where a ratio of, say, four to one gives an acre of offices on a quarter of an acre site.

Where the "interesting bits of Victoriana" are concerned, NatWest acknowledges that it is possible to build behind an existing facade and it has done this in a number of cases.

Computer takes on the day-to-day running

MAINTENANCE
EDWARD BISHOP

IN THE control centre, situated, in the podium entrance hall, Bob Johnson, a senior engineer, likened the tower's maintenance and service operations in these early months of its occupation to those of a newly commissioned ship. There is the difference, though, that this building has undergone trials with all 2,500 passengers on board.

Gradually, the sophisticated systems which have been specially evolved to keep the tower operating smoothly have started to settle down with the help of experience. Nobody would claim that it is a trouble-free or simple job to keep the building shipshape, but the computer in the control centre, the nerve centre of the building, is programmed to take the sweat out of the task. Indeed, the immediate impression as one visits service areas in the basement, at various levels, and the cooling towers and boiler room atop the tower's 52 floors, is that of an absence of maintenance staff: not a boiler suit or oil rag in sight.

Of course they must be somewhere because there are 70 members of engineering staff and seven firemen to man the shifts, but in the control centre the extent to which the computer contributes to the building's internal welfare and exterior condition becomes obvious.

Three main visual display stations tell the story. Security analysis deals principally with fire alarms, lift analysis controls 21 lifts.

A general engineering section controls electricity supply, heating, ventilation and air conditioning. Engineers have retained ultimate control with power to override any particular command.

Small staff

The control centre, reporting and sorting out problems as they arise, enables an economy of staff which would otherwise be unthinkable in such a big office complex.

Getting the tower's 2,500 workers to their offices, between levels for meetings, to the five refreshment areas and to the ground at the end of the day, is a major operation. Any sign of trouble and the control centre reports it, taking remedial action if required. Should an emergency develop, the computer will rearrange lift priorities or, if necessary, bring all cars to the ground floor.

Banking hours are set for the most part between the ritual hours of nine and five, so the majority of the tower's workers need to use the lifts at much the same time. Peak morning and evening traffic involves particular vigilance and the control centre reorganises lift usage with minimum inconvenience to passengers. Should a message have to be passed to a lift, the control can select the car with the flick of a switch and make instant contact.

Directors have their own lift, shared as a double-decker with the goods car. Firemen also have their own lift to facilitate rapid investigation of an alarm.

While fire and medical emergencies are among the more serious reports received at the control centre, indications of any malfunction in any one of the usual services can be dealt with quickly. An expert can attend to a fault before it develops into a breakdown.

Exterior maintenance is taken care of by a device which travels up and down the outside of the building. There are 30 window bays in each of the tower's three distinctive leaves and each leaf has its own window washing machine operated from the roof.

Since the only windows which open are those strategically placed for smoke control in the event of fire, climate control is another essential service. As Mr. Johnson put it: "The computer takes the chore out of dealing with complaints that it is too hot or too cold. A signal comes up and we attend to the problem. Faults don't go undetected." The computer also orders four routine air changes an hour.

When the computer ascertains that equipment needs to be serviced it turns it off and calls in alternative plant. The computer never rests, but the control centre has its own back-up facility.

Care and maintenance services have to be monitored 24 hours a day. Eric Heath, the house manager, explained that two hours are spent before and after each working day ensuring that offices are correctly furnished, clean and ready for occupation.

This involves getting the staff of three cleaning contractors in and out of, and distributed throughout, the building before and after the arrival and departure rush hours. Work is allocated so that one company takes the top half of the tower, a second the lower half and a third the lift areas. In addition to routine cleaning, 400,000 square feet of carpet have to be looked after.

Standardised

Desks are standardised, but if an executive wishes to use a non-standard desk to which he is particularly attached, a layout will be agreed to accommodate it. As a rule, desks align from the windows to the core and cover power and telephone outlets.

Lighting is controlled by sensors. Unless he raises his eyes to reflect on a problem, an executive, scrutinising a balance sheet, need not be distracted by the fact that it has clouded over or that brilliant sunshine has brightened his office.

No effort is spared to provide executives and staff with a comfortable and convenient working environment.

THE ARTS

Record Review

Sounds of future-past

by ANTONY THORNCROFT

With record sales still as sluggish as dormice the companies are getting frantic in their search for the sound, or the artists, that will revive public demand. As usual all the best ideas rise up from the *streets or from* the small independent labels. Often they seem at first extreme and outrageous, which is good for publicity, but *they* soon modify down for the run-of-the-mill mass market. So the punk new wave became the The Police and the futurists, the frills and fancy brigade, turned into Adam and the Ants. But the futurists have helped give a nudge to electronic music which had previously been something of an exclusive cult, indulged in a shed at the bottom of the garden.

The most ambitious of what might loosely be called futurist bands are Spandau Ballet. The discreet white sleeve of their *album, Journeys to Glory,* plus a poetical quote of vaguely Homeric tone on the inner sleeve, suggest that Spandau Ballet take an optimistic view of the 21st century. They have certainly popularised mechanical music, adding to the two synthesisers they use bass and drum beats so solid and insistent that they could crack granite. It is this rhythm, which makes Spandau Ballet easy to jump to if not ideal for dancing, which lifts the band ahead of the competition.

They can also recognise a melody. The first chords of "To cut a long story short" grab the attention and, miraculously, the development produces a perfect pop song with a *singalong* chorus. Spandau Ballet may be a bit too clever for their own good but Gary Kemp can certainly write some interesting *songs and if public* tastes change this band could easily do the changing.

Their nearest rivals ought to be Classix Nouveaux who have not only synthesised every instrument in sight but have an ecentric lead singer in Sal Solo, who is currently bald and clad *like* a monk. He also writes the songs, which is some compensation for a rather uncomfortable voice, and, while less imaginative than *those of Spandau* Ballet, the songs on *Night People* have that obstinant nagging quality which permeates the system. Classix Nouveaux, in *their instrumentals,* might sound like a backing band to Thunderbirds but their lively stage act could give them an edge over the competition in wiping the eyes of the Gary Numan fans now that sharp minded populariser of electronic music has retired.

But while the rage for programmed music persists why not go for the real thing? The German band Kraftwerk, the original shop window dummies, immobile except for fingers manipulating the electronic controls of assorted synthesisers *and plugged in keyboards, have* come up with their most accessible album in ages, called *Computer World*. Gone is their *obsession with industrial grey* and the sounds of the factory floor and instead we have a succession of gentle musical blips on a melodic computer screen—pretty patterns of noise that make the BBC Electronic Workshop sound like rude mechanicals. This really is music for the psychiatrist's couch—soothing, mellifious, as predictable as a fugue, with the occasional word murmured to prove that *humans are involved* in this hymn to the automotised 21st century.

It might be impersonal, devoid of emotion and passion, but as "Pocket Calculator" follows "Computer World" to give way to "Numbers" an involuntary repose sets in. The insistent *rhythms, the drops of sound,* like soft rain on a pond, soothe away stress and guarantee some musical therapy. Half an hour with Kraftwerk is worth a handful of tranquillisers (and for historical interest this is where Gary Numan got it all from).

After so much sound without sentiment it is a relief to get back to Bruce Springsteen and *The River*. Despite the sell-out *concerts this month Springsteen* still fails to sell records here to match his reputation. Perhaps without the memory of the man on stage this four sided album is overwhelming in its impact, being without subtlety or charm. This is completely committed rock, vintage stuff which sums up every urban image of the U.S. Springsteen is the voice of contemporary music just because he has no *great vocal skills, rather a feel* for the age, its rhythms, and, through his lyrics, its preoccupations. This album becomes very easy to live with, and when he does slow down the frenzy, as in "Independence Day" and "The River," Springsteen reveals a sensitivity behind the bravura.

Sal Solo

Soho Poly

Tomorrow-Today

by ROSALIND CARNE

Hanif Kureishi's resonant lines create a world infinitely larger than the stage which supports them and *his gift is* tested to the full in this tiny basement theatre. When Ben tells his friend Bill of his *mother's terror-ridden* fantasies, we imagine her with fearful clarity, crouched behind the sofa during a nuclear attack, preparing to slit her own throat, her head covered with a plastic bag to prevent mess. *Tomorrow-Today* is rich in such images of horror.

The set, a patch of waste ground below a motorway recalls another Kureishi play, *Outskirts*, now showing at the *Warehouse*. *Bill*, a *scruffy* teenager, settles down among the rubbish with a comic and a 7-Up. Trips upstairs in the hope of spotting a crash to provide the occasional dose of excitement. Ben's arrival breaks the calm. He is tense, dissatisfied, and a wadge of credit cards, filched from a *neighbour's house* appears to provide a means of escape. Bill is wary, but Ben's conviction of the imminent holocaust leads him into an orgy of spending in which his weak-willed chum becomes an uneasy confederate.

Neil Pearson, not a year out of drama school, shows tremendous promise as Ben, whose eagerness and sensitivity have equipped him for something better than the motorway. Mark Wingett *plays a* stumbling, shambling Bill whose frequent collapses against the ramparts of the flyover are a *joy to behold.* All the movements are excellent, and the fight scene, from a distance of a couple of yards, is frighteningly realistic. The able direction is by Antonia Bird, and the design by Chris Townsend.

BASE LENDING RATES

A.B.N. Bank	12 %
Allied Irish Bank	12 %
American Express Bk.	12 %
Amro Bank	12 %
Henry Ansbacher	12 %
AP Bank Ltd.	12 %
■ Arbuthnot Latham	12 %
Associates Cap. Corp.	12 %
Banco de Bilbao	12 %
BCCI	12 %
Bank of Cyprus	12 %
Bank of N.S.W.	12 %
Banque Belge Ltd.	12 %
Banque du Rhone et de la Tamise S.A.	12½ %
Barclays Bank	12 %
Beneficial Trust Ltd.	13 %
Bremar Holdings Ltd.	13 %
Bristol & West Invests.	13 %
Brit. Bank of Mid. East	13 %
■ Brown Shipley	12½ %
Canada Perm't Trust	13 %
Cayzer Ltd.	12 %
Cedar Holdings	12 %
■ Charterhouse Japhet	12 %
Choulartons	12 %
C. E. Coates	12 %
Consolidated Credits	12 %
Co-operative Bank	*12 %
Corinthian Secs.	12 %
The Cyprus Popular Bk.	12 %
Duncan Lawrie	12 %
Eagil Trust	12 %
E. T. Trust Limited	12 %
First Nat. Fin. Corp.	14 %
First Nat. Secs. Ltd.	14 %
Robert Fraser	12 %
Antony Gibbs	12 %
Greyhound Guaranty	12 %
Grindlays Bank	‡12 %
■ Guinness Mahon	12 %
■ Hambros Bank	12 %
Heritable & Gen. Trust	12 %
■ Hill Samuel	§12 %
C. Hoare & Co.	†12 %
Hongkong & Shanghai	12 %
Knowsley & Co. Ltd.	14 %
Langris Trust Ltd.	12 %
Lloyds Bank	12 %
Mallinhall Limited	12 %
Edward Manson & Co.	13 %
Midland Bank	12 %
■ Samuel Montagu	12 %
■ Morgan Grenfell	12 %
National Westminster	12 %
Norwich General Trust	12 %
P. S. Refson & Co.	12 %
Ryl. Bk. Canada (Ldn.)	12 %
Slavenburg's Bank	12 %
E. S. Schwab	13 %
Standard Chartered	‖12 %
Trade Dev. Bank	12 %
Trustee Savings Bank	12 %
TCB Ltd.	12 %
United Bank of Kuwait	12 %
Whiteaway Laidlaw	12½ %
Williams & Glyn's	12 %
Wintrust Secs. Ltd.	12 %
Yorkshire Bank	12 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 9%, 1-month 9¼%. Short term £4,000/12 months 11.85%.
† 7-day deposits on sums of £10,000 and under 9%, up to £50,000 9½% and over £50,000 10%.
‡ Call deposits £1,000 and over 9%.
§ Demand deposits 9½%.
‖ 21-day deposits over £1,000 10½%.

Trevor Peacock and Max Wall

Leonard Burt

Round House

Waiting for Godot

by MICHAEL COVENEY

London now has a chance to see this superb production of Beckett's play imported from the Royal Exchange Theatre in Manchester. Director Braham Murray has made a few changes. *The bleached blue lighting* change at the end of each act is more violent but no less effective. Trevor Peacock's Estragon has grown in confidence and stature implying that he is not so much a junior partner in the double act as a brilliant equal. Most impressive of all is the way Gary Waldhorn has slowed down Lucky's long speech about Aphasia, Cunard and Connemara, suggesting a *lifetime's memory compressed* into a single instant. Mr. Waldhorn ignores Beckett's stage direction but has more success with the speech than anyone I can remember.

Max Wall's Vladimir, a battered music hall tramp with a drifting bow tie and scurvy velvet collar, is an unqualified triumph. There is a great natural warmth to this performance and the role fits the actor like a glove. When Mr Wall *first coughs,* you *half* expect him to launch into his solo turn and mumble under his breath. "I must get a room tonight." I remain amazed that he doesn't summon Arthur from the wings to remove Pozzo's stool. When the tramps consider assuming the names of the visitors, Estragon's muttered, "You'll be lucky," receives an admonitory finger wag from Mr Wall as if to say, "Enough is *enough.*"

Pozzo's image of booming top dog (Wolfe Morris is glintingly bald and emphatic) takes a slight dent because of the light, vaudevillian pitch of the production. But, on the much larger credit side, the play's recurring theme of identity and identification comes across much clearer than is usual. This total lack of portentousness does not mean we do not still shudder at Pozzo's calm reflection. "*They give birth astride* of a grave, the light gleams an instant, then it's night once more."

The rope tying of Vladimir and Estragon to Godot is as metaphorically strong as the one linking Lucky and Pozzo, as strong as the rope with which to hang themselves is weak. The richness, power and humour of the piece is reaffirmed by concentrating on *the music hall and leaving the* message to look after itself. These two will be back tomorrow night, repeating the old tricks: the familiar music, in a defiant bid to keep going, to stay in work. It's the same for all of us. What else is there?

Festival Hall

Carlos Kleiber

by MAX LOPPERT

Though Kleiber, one of the most important conductors of the day, *has already led four* opera revivals at Covent Garden. Tuesday's appearance on South Bank with the London *Symphony was evidently* his belated British concert debut. It bore all the marks of a Great Occasion — the huge audience studded with famous faces, the buzz of excitement in the air, the noisy ovations before and after each of the three works played. All the marks, that is, except in the musical performances, which were without exception coarsely hard-driven, "exciting" only in the way that *the repeated applications of a* lash to the skin can be deemed exciting. As Weber was followed by Schubert and then by Beethoven, curiosity gave way to cautious and then to comprehensive disappointment at the widening gap between one's expectations of the concert and its fulfilment of them.

Successful new conductor-and-orchestra partnerships are not joined in a day, or in a single concert; and when the ways of Kleiber's very distinctive beat have been thoroughly mastered, future concerts with the LSO *may well tell a different tale.* But on Tuesday the listener who had perused a programme profile of the conductor entitled "The Perfectionist" could be forgiven for discomfort at an evening of such imperfect playing, manifestly below the LSO standard on many an "ordinary" evening. The horn quartet at the start of the *Freischütz* Overture was excruciatingly out of tune: all evening, woodwind, *whether solo or in consort,* tended to sag below pitch; the problem with the strings was one of ensemble, which became more obviously problematic in the back desks of each section. In the Finale of the Beethoven Seventh Symphony, which Kleiber beat to within an inch of its life, there was more than one anxious moment. Internal balances were often untrue; the slow start of the Schubert Third *Symphony afforded a notable* example.

Similarly, in a programme predicating warmly expansive lyricism, the discomfort caused by the absence of a single singing moment was cumulative and burdensome. To judge from this account of the D major Symphony, Kleiber's patience with the delicious Schubertian habit of wandering into distant and unexpected harmonic regions is severely limited: speed is of the essence to him, except when punctuation marks are allowed to underscore obvious *interpretative points.* This was Schubert with a hard glint in his eye, and a peculiarly unpicturesque, charmless vein of discourse. It gives me no pleasure to write thus of a conductor whose *Bohème* I delighted in and for whose *Otello* my admiration, though qualified, was great. Unhappy evening.

Money for arts centres

The belief that the new Greater London Council would favour community arts projects at the expense of the established national arts companies was *reinforced yesterday* when the Greater London Arts Association, which is funded by the GLC and the Arts Council, announced grants of over £500,000, with a bias towards community-based groups and ethnic minorities.

Among the arts centres with substantial grants are Battersea, which will receive £17,000; Jackson's Lane, which gets £10,000; Inter-Action, £55,000; and £7,500 to Combination of Lewisham, for setting up of an arts centre.

Other beneficiaries are the *Lenthall Road Workshop* in Hackney where £14,940 goes to community artists; £2,000 for a Cable Street Mural; £12,450 for salaries and the purchase of a vehicle for the Trinbago Carnival Club, Waltham Forest; £22,380 towards five printworkers at the Paddington Printshop; and £14,900 for the West London Media Workshop. All told, 69 grants were announced.

To celebrate its 15th anniversary, GLAA is organising a showcase event in Hounslow illustrating what can be achieved by using professional arts advisers to develop the arts. It is also mounting a publicity drive for members — anyone living in London can join the organisation.

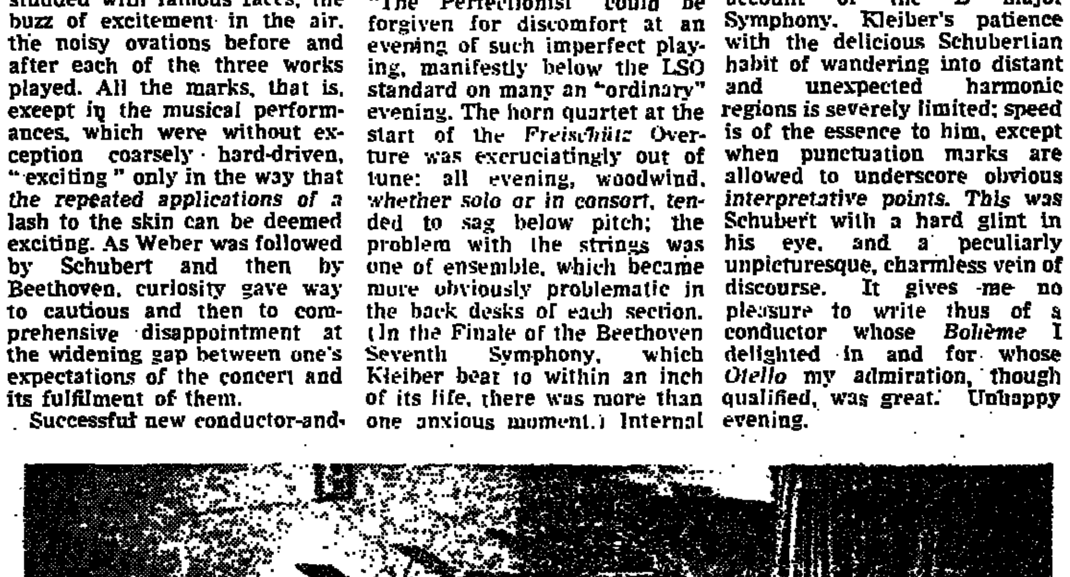
Bishop of Woolwich to play piano in RPO charity concert

The Bishop of Woolwich and television personality Angela Rippon are to participate in a Royal Philharmonic Orchestra *charity concert next month.*

The Bishop, the Rt Rev Michael Marshall, is to play a Mozart piano concerto, and Miss *Rippon is to narrate Prokofiev's Peter and the Wolf* in the concert at Plaisterers' Hall on July 16, being held in aid of the *Musicians' Benevolent Fund.*

The event is part of a busy summer season for the RPO over the next two months, a *highlight of which is the return* of Antal Dorati to the Royal Albert Hall for a six-concert Beethoven Festival between *July 2 and 12.*

British Gas are purchasing tickets for Chaikovsky's violin concerto at the Albert Hall on *June 22,* and are donating them to disabled people as a contribution towards the Year of the Disabled.



Sixteen grand pianos take the stage

Leonard Burt

Elizabeth Hall

Grand Piano Extravaganza

It was to celebrate the 25th anniversary of the invaluable Park Lane Group, whose services to new music, rare music and young performers have been enough to make one forgive this concert. Thirty-one variously distinguished pianists let rip on 16 Steinways, with a degree of precision and sensitivity worthy of More Rugby Songs. Much of it presented a real threat to the semi-circular canals.

Since the pianists were fortunately too numerous to mention, there is room for marginal observations. The Blüthner firm, with exemplary high-mindedness, took an advertisement in the programme. Only Czerny's arrangement of Rossini's *Semiramide* Overture actually used all the pianos, and even that was extravagant—Czerny expected only eight, with a pair of duettists at each. On ten pianos, neither Johann Strauss nor Sousa was as effective as expected: Scott Joplin's Maple Leaf Rag went with more of a swing, granted a collective attack that was rarely better than mushy. The "Ride of the Valkyries" limped.

One wind, or a string instrument, is a bit thin, but lots of them are an orchestra; one piano is a whole artistic medium, two a trapeze-act and more than that an affliction. Piano-attack is cruelly definite, and in a monstrous consort like this even sterling pianists seem never to get together on the beat. The marvellous dynamic range and rich colours of the solo instrument somehow dwindle to a clattery little range—flat and footling at the quiet end, uncouth when louder. It was probably a good thing that neither of the two "serious" solo performances (Chopin and Busoni) quite came off; they might have made the rest seem beyond a joke. There was a single drop of balm, Percy Grainger's haunting little Banzibar Boat Song for six hands at one keyboard. It was all in a good cause.

DAVID MURRAY

Coliseum

Swan Lake

by CLEMENT CRISP

John Cranko's production of *Swan Lake* starts off with many good intentions, and then founders among them. There is a decision to include more of the score that Chaikovsky first wrote for the 1877 staging: Siegfried is seen, very properly, as the pivotal figure of the staging, and his role is amplified from that of the noble *porteur* who was the hero of the Maryinsky original; the conventional ending which finds Odette and Siegfried united after death is rejected—Siegfried dies in the lake, and Odette remains the enchanted swan we first meet. Alas, the realisation of these theories is less than happy. The staging, as I saw it on Tuesday looks busily innovative, but lacking in any lyric coherence. The fault lies not in the hotchpotch décors which have had to be assembled for this London season (the Stuttgart Ballet's scenery failed to pass the Coliseum fire tests) but in the imprecisions of the choreography and the brashness of the company classic style.

The ballet is presented with energy but little finesse. The Stuttgart dancers go at their *appointed* tasks *hammer* and tongs, but there is an absence of dignity in their classic manner, and little of that tragic urgency which might make us believe in the drama. (The first act courtiers are, frankly, hilarious in garb and appearance a Monty Python view of medieval Germany which juxtaposes the gangling and madly hatted with rather short characters who move as if wearing someone else's shoes.)

Lucia Isenring was the heroine. A dancer of fragile line she presented a Swan Queen of muted emotion, rather reedy in tone and emotionally bleak. Her Odile had a brittle, nervous intensity which was well suited to the character, but both aspects of the role need a richer pulse of feeling and dance. Her Siegfried, Egon Madsen, is master of the princely manner, rather less so now of the bravura which the prince must display in variations.

Both artists were at their best in the fourth act. Here Cranko's re-assessment of the drama, and his interpolation of Chaikovsky's *Elegy for Strings* as a duet—which seems to come from quite another and more serious ballet—gave Odette and Siegfried the opportunity for an effusion of feeling which was elsewhere under-played. As a view of one of ballet's sacred texts, the production is a curiosity—but *Swan Lake* should be more than that.

BP backs art in the City

British Petroleum have again offered the Royal Academy's Business Art Galleries the opportunity to show the work of contemporary artists in a centre of *international* business following last year's successful exhibition.

This year the exhibition, at Britannic House, Moor Lane, EC2, (until June 19) opens its doors to the public and is even more extensive than the first, comprising over 125 paintings, drawings, sculptures and original prints, which include the Royal Academy Graphics Collection. Over 50 artists are represented.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1976=100), retail sales value (1976=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1980							
1st qtr.	110.0	100.1	100	110.2	158.6	1,379	193
2nd qtr.	106.6	96.8	98	109.2	164.3	1,498	159
3rd qtr.	102.9	93.2	84	108.9	170.3	1,699	120
4th qtr.	100.4	89.2	79	109.0	205.2	2,020	92
Oct	100.9	90.3	76	109.7	179.1	1,893	100
Nov	100.7	89.4	83	109.2	192.8	2,030	96
Dec	99.7	87.8	79	108.4	236.0	2,137	99
1981							
1st qtr.	98.7	87.3		112.7	174.4	2,304	100
Jan	98.3	87.2	88	114.0	177.6	2,228	104
Feb	99.1	87.9	91	112.9	170.1	2,304	98
March	98.7	86.9		111.5	175.4	2,381	97
April				111.4	181.6	2,452	94
May						2,515	92

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1980							
1st qtr.	104.5	101.0	123.5	98.9	56.4	92.2	13.3
2nd qtr.	98.1	96.2	123.2	93.1	93.9	85.6	15.2
3rd qtr.	97.0	95.0	117.1	91.2	78.1	82.5	12.5
4th qtr.	93.7	90.1	116.9	85.3	70.3	77.0	10.1
Oct	95.0	92.0	116.0	87.0	67.0	77.0	11.9
Nov	94.0	90.0	118.0	85.0	74.0	79.0	11.2
Dec	93.0	88.0	117.0	83.0	70.0	76.0	7.1
1981							
1st qtr.	93.2	84.4	117.2	80.8	75.4	77.4	10.6
Feb	94.0	84.0	118.0	81.0	78.0	78.0	11.0
March	93.0	83.0	118.0	80.0	79.0	77.0	10.7
April							12.7

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1980							
1st qtr.	133.0	126.9	−388	+ 54	− 95	101.0	24.87
2nd qtr.	126.2	126.2	−320	− 88	− 11	103.4	28.15
3rd qtr.	125.1	118.7	+616	+870	−157	105.5	28.08
4th qtr.	126.5	111.8	+1,269	+1,885	+222	105.6	27.90
Sept	121.9	114.8	+344	+429	+ 39	105.3	27.64
Oct	124.5	106.3	+506	+711	+133	105.3	28.03
Nov	129.4	114.6	+410	+615	+ 54	105.6	28.19
Dec	125.7	114.5	+353	+559	+ 35	105.1	27.48
1981							
1st qtr.							28.34
Jan	123.9	101.3	+742	+1,042	+210	106.4	28.39
Feb	121.7	114.3	+314	+614	+231	105.1	28.43
March							28.21
April							28.07
May							26.49

FINANCIAL—*Money supply M1 and sterling M3*, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1980							
1st qtr.	− 4.0	7.2	21.9	+1,725	634	2,049	17
2nd qtr.	− 1.5	10.7	23.3	+3,472	697	1,964	17
3rd qtr.	11.8	36.1	45.2	+6,325	1,090	1,933	16
4th qtr.	8.8	20.0	11.2	+3,207	1,253	1,793	14
Oct	4.3	21.4	19.3	+1,338	520	629	16
Nov	6.7	18.6	7.7	+ 964	285	559	14
Dec	15.6	20.0	7.0	+ 905	448	605	14
1981							
1st qtr.	7.0	9.5	12.4	+1,596	1,081	1,884	12
Jan	5.9	11.9	10.1	+ 420	446	620	14
Feb	13.7	8.6	12.9	+ 201	366	638	14
March	16.4	8.1	14.3	+ 975	269	626	12
April	25.5	13.9	3.9	+1,864	296	657	12
May							12

INFLATION—Indices of earnings (Jan 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1980							
1st qtr.	167.7	197.2	191.4	248.8	247.5	284.47	93.0
2nd qtr.	178.9	201.3	199.0	263.2	255.9	267.45	94.5
3rd qtr.	188.4	201.9	203.6	268.9	259.3	275.13	96.7
4th qtr.	193.3	203.3	206.1	273.9	260.7	269.25	100.2
Oct	189.9	201.4	205.3	271.9	259.3	274.65	99.2
Nov	192.6	203.4	206.2	274.1	260.0	270.56	101.1
Dec	197.3	205.1	206.7	275.6	262.7	262.53	100.2
1981							
1st qtr.		213.8	212.2	280.4	268.7	257.79	101.2
Jan	193.3	209.7	209.9	277.3	266.7	251.88	102.0
Feb	194.7	214.0	212.0	279.8	268.9	259.93	102.5
March	197.7	215.8	214.7	284.0	270.6	261.56	99.7
April		221.2	217.8	292.2	274.2	258.61	99.2
May		226.0	219.0			255.14	98.8

* Not seasonally adjusted.

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Nuclear power commitment

EVER SINCE the ill-fated choice of the Advanced Gas-cooled Reactor (AGR) in 1965, Britain's nuclear programme has been plagued by bickering and uncertainty over reactor system, organisation and the number of nuclear power stations to be built. While the UK has struggled on with the AGR, other industrial countries have tended to standardise on light water reactors. Some of them, such as France and West Germany, have used their domestic nuclear experience as a springboard for entering the export market; the AGR has proved unsaleable outside the UK.

Mainstream

For several years it has seemed inevitable that the UK would have to join the mainstream and adopt light water reactors. This was confirmed in December, 1979, when the Thatcher Government gave the go-ahead for a programme based on the Westinghouse-designed Pressurised Water Reactor (PWR), subject to the usual safety investigations. The subsequent decision to confirm the order for two more AGR stations was controversial, but was seen by the Government as necessary to keep the nuclear industry in business until the PWR programme got under way.

In the meantime the five consortia for building nuclear power stations, set up in the early 1960s by equipment suppliers and civil engineering companies, had after many vicissitudes and lurches of policy been whittled down to a single company, the National Nuclear Corporation. In its present form ownership of the NNC is shared between the Atomic Energy Authority (35 per cent), General Electric Company (30 per cent) and a group of other suppliers (35 per cent). Like the AGR, the NNC is a uniquely British invention; it is a one-product company confined to the home market and almost totally dependent on a single customer, the Central Electricity Generating Board. But it exists and there is no other organisation in the UK capable of building nuclear power stations. At this stage no-one would contemplate tearing it up and starting again.

In recent months, however, new problems have arisen. First, the initial re-design of the PWR to suit British requirements produced a system that was so expensive—at least 50 per cent higher than a comparable American PWR—as to undermine the arguments for proceeding with it. Second, the executive chairman of the NNC resigned after less than a year in the job. An acting chairman has been appointed from one of the shareholding companies, but some shareholders apparently feel that another outsider should be brought in to take charge of the NNC. At the same time there is pressure from the smaller shareholders for a rearrangement of the ownership structure to reduce the role of GEC.

These arguments are depressingly familiar. There is a danger of losing sight of the central objective, which is to ensure that the UK is provided with nuclear power at a cost competitive with best international practice. This almost certainly involves going for the PWR and buying it as nearly as possible "off the shelf," taking an established American design and making the fewest possible modifications to it to suit British conditions. In the interests of cost reduction a substantial amount of the hardware may have to be imported, at least for the first few stations.

Lop-sided

To achieve the objective, the management of the NNC needs to be strong and united, with appropriate support from American PWR experts. Since the shareholding structure is illogical and a source of dissension, the Government should take steps to correct it; the need for the Atomic Energy Authority shareholding should in any case be looked at. The relationship between the NNC and the Central Electricity Generating Board needs to be clarified. The dominant size of the CEGB makes this relationship a lop-sided one, but it is hard to see how the programme can work unless the independence of the NNC vis-à-viz its principal customer is securely established; it has to take a fair share of the commercial risk.

It is arguable that if the PWR is to be successfully introduced into the UK, a "Mr PWR" needs to be appointed with specific responsibility for driving the programme along and ensuring that the conflicting interests of the various participants did not create unnecessary obstacles. The nuclear programme badly needs what has been lacking for many years—clear commitment and unity of purpose.

Mexico's success in Washington

THE VISIT to the U.S. this week of President José López Portillo of Mexico marked an upgrading of Washington's relations with its populous and increasingly important neighbour. The fact that the Mexican leader was received with much ceremonial in the capital itself and subsequently was invited to private meetings with President Reagan at Camp David underlined the importance that the U.S. administration is giving to Mexico's views. It also signalled an end to that period of unease between the two countries born of a difficult personal relationship between President Jimmy Carter and President López Portillo.

Oil supplier

The reasons for the U.S. to devote the attention to Mexico today that successive Mexican Presidents have been seeking from Washington for years are not difficult to analyse. Nearly half of Mexico's total oil exports of $1\frac{1}{2}$m barrels a day go to the U.S.: the Americans are very conscious of the usefulness of having a friendly oil supplier at hand. Mexico has decided not to become a member of Opec (though it has pledged that it will not undercut Opec prices) and its oil exploration programme makes it likely that it will become even more important as a seller of energy.

The thirst that the U.S. has for Mexican oil has led to some greater flexibility by Washington on those bilateral economic problems which are of importance to Mexico. Officials in Washington are more sensitive than they were ten years ago on issues such as the migration of Mexican labour north of the border and the need to give fair opportunities to Mexico's manufactured exports.

The long-term importance of Mexico to the U.S. is hardly likely to be affected by the softening of the oil market which last week obliged Pemex, the Mexican state oil concern, to cut $4 off the export prices of its crudes.

President López Portillo's visit to the U.S. was however of importance not just for the two countries' bilateral relationship. As Washington grapples with the increasingly serious political situation in Central America it is important for policymakers in the U.S. capital to co-ordinate their approach as far as possible with the largest Spanish-speaking country in the area.

In this context, Mexico's view that the troubles in El Salvador, the tensions in Nicaragua and the gloomy outlook in Guatemala are the result of decades of local misgovernment rather than of Soviet or Cuban meddling, have had their impact in Washington.

No one in the U.S. capital could accuse the Mexican Government of pro-Communism. Their diplomatic strategies, born of a century of foreign interventions in Mexico, are based on an opposition to any outside force of whatever political stripe making an impact in the area.

The effect of President López Portillo's arguments in Washington is perhaps to be seen in the greater emphasis being given by the U.S. Government to the principle of economic assistance to Central America and the Caribbean and a playing down of the military aspect of the region's problems which had been emphasised when President Reagan first came into the White House in January.

Breakthrough

One final result of the Mexican leader's visit to Washington appears to be Mr Reagan's agreement to attend the North-South summit which is scheduled to be held in Mexico in late October at the invitation of Chancellor Bruno Kreisky of Austria and President López Portillo himself.

The achievements of the visit do not therefore seem limited to bilateral or regional questions, important though these are. President López Portillo could have achieved something of a breakthrough in persuading the U.S. leader of the need for him to give a higher priority to the needs of the developing world.

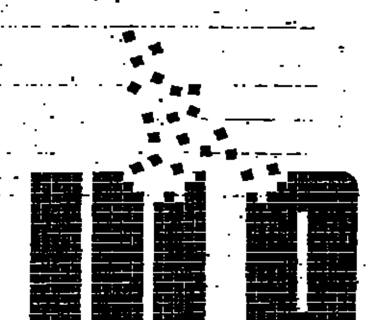
The Reagan Administration's attitude to developing countries has often seemed insensitive or narrow-minded, particularly on the subject of aid. If Mexico provides something of a bridge between the U.S. and the third world, many countries will be in its debt.

FERRANTI'S SUPER-CHIP

Outsmarting the silicon giants

By Alan Cane, Technology Editor

Ferranti is beginning to enjoy the pay off for years of work on uncommitted logic arrays, or ulas—a technology ignored by the microchip industry's leaders—which can be tailored directly to the needs of customers.



Hugh Routledge

David Grundy, technical director, Dr Alan Shepherd, managing director, and Bryan Down, marketing manager with part of Ferranti's advanced computer aided chip design facility. They plan to combat the mighty U.S. silicon houses with ingenuity and the personal touch.

THE GERMAN manufacturer of the prestigious Leica camera range, E. Leitz, brought out its top model in time for Christmas last year. Entitled the R4 Electronic and priced at around £700, it is selling so rapidly that dealers complain they have had no chance personally to appreciate its novel features.

In January this year, Black and Decker introduced a new multispeed hand drill in its "Tradesman" professional range. Equipped with sophisticated speed controls, the drill includes features such as "soft," or easily controlled, starting and reverse.

Only three months ago, the redoubtable Mr. Clive Sinclair launched the latest version of his best selling microcomputer, the ZX81, with a host of new features at almost one third off the old selling price.

What these highly successful products—and another 250 or so like them—have in common is that much of their complicated electronic circuitry is compressed onto a very special kind of silicon chip.

Neither microprocessor nor memory, this chip has found a home in vending machines, radio receivers, knitting machines, computers, telephone exchanges and anti-skid braking devices.

It is manufactured by Ferranti Electronics, a British company, which is now seeing the pay off for years of devotion to a product and a manufacturing technique once universally regarded as the Cinderella of the silicon world.

Ferranti calls its superchips "uncommitted logic arrays" (ulas); in the U.S. and Japan they are more commonly described as gate arrays or semi-custom logic, but everywhere it is agreed that these chips are emerging from obscurity to become one of the dominant semiconductor technologies of the 1980s.

That is verified by the number of major semiconductor companies now making bullish noises about their intended performance in making and selling ulas.

IBM, the world's largest computer manufacturer, is also the biggest semiconductor manufacturer but retains all its production for its own use. Its latest high performance, low priced computers make extensive use of uncommitted logic.

Texas Instruments, the world's largest dedicated silicon chip manufacturer announced with a flourish in February this year plans to sell its own design of gate arrays. Despite upheavals in the silicon business which forced Texas to sack almost 3,000 workers last week and get out of bubble memories altogether, it said this week that it is still firmly committed to its plans for the gate array market.

Other companies showing significant interest include Motorola, Signetics, a subsidiary of Philips, and the semiconductor pioneer, Fairchild. A former Fairchild chief executive, British-born Mr Wilfrid Corrigan, has announced plans for a new U.S. company, LSI Logic, to specialise in gate arrays.

Thus, the scene is set for a new and savage silicon war with Ferranti Electronics a small (turnover £16.5m in 1980) part of the £214m Ferranti group. It is now the undisputed market leader with about 30 per cent of world sales but also the prime target for all the newcomers to shoot at.

Ferranti, undismayed, yesterday announced a new generation of uncommitted logic arrays manufactured by a new and advanced technology which it hopes will keep it at the forefront of a market which should be worth $20bn by the late 1980s.

What are these curiously named chips and why have they assumed such sudden importance? They are, after all, neither microprocessors nor solid state memories—what the public has been taught to regard as the key elements in the micro-chip revolution.

They are standard micro-circuits which can be manufactured in bulk and then turned into whatever the customer wants—the controls for a camera or drill, for example, or the brains inside a digital thermometer or "smart" radio receiver.

Each standard chip is designed and manufactured with a set, or array, of electronic components, resistors, transistors, logic gates and the like already present but unconnected. When the customer has decided what the chip is to do, the appropriate connections are drawn up and printed in metal on the chip surface to complete the circuit.

The principal advantages are speed and economy in chip design.

As semiconductor manufacturers cram ever more components onto silicon chips to try to meet an apparently insatiable demand for greater complexity, design costs have soared and lead times extended.

To design a custom chip from scratch these days can cost $250,000 and take more than 12 months. Using uncommitted logic, Ferranti and its competitors reckon to bring the same chip to the testing stage in as little as 14 weeks for $20,000. They also argue the chances of it working first time are greatly improved.

Ulas are not used to replace microprocessors or memories.

They are used to replace and compress traditional electronic control circuitry to give advantages of cheapness and compactness.

So for any manufacturer with a product which could benefit from the addition of electronic "brains" or which incorporates outmoded controls, uncommitted logic arrays would seem a fast and economic way of getting into new technology with the minimum risk.

Hence all the excitement. What is harder to believe is that in Ferranti, the U.K. actually has a leader in at least one area of microelectronics and an important one at that.

Ferranti did not invent the idea; Texas Instruments, in fact, holds patents for gate arrays stretching back to the 1960s. But it was probably the first company to produce a practical commercial product and it believed stubbornly, against the trend, that ulas were the way the world would go, eventually.

Dr Alan Shepherd, managing director of Ferranti Electronics, says: "We were looking for a niche in the market to survive. We could not hope to compete against the large semiconductor houses selling standard products—memories and microprocessors—to the mass market, so we tried to sell solutions to problems."

The breakthrough came in marrying the concept of the uncommitted array to a fabrication technology called bipolar CDI; jargon aside, it means Ferranti can complete the manufacturing process by laying down only one layer of metal to complete the interconnections on the chip surface. Other manufacturers are talking about two or more layers—and with each extra layer it becomes more difficult to keep the yield of working chips up to scratch.

Ferranti's first customer for the new superchips was another German camera company, Rollei, which needed a device to control the workings of its Rolleiflex single-lens reflex and take less space than the 25 individual electronic components such an operation required.

That was in 1973. Dr. Shepherd recalls: "We did not know if what we had was valuable or not, but we felt it was right for us." It has taken a further eight years for the full value of Ferranti's efforts to become clear and in those years it refined its techniques, developing a family of 16 different kinds of ula and attracting some 300 customers world-wide.

It also took over Interdesign of Sunnyvale, California, an entrepreneurial Silicon Valley company with a comparable market position in linear gate arrays in the U.S. to Ferranti's position in digital gate arrays.

All of this took place free from the attentions of the giants of the industry, too busy "producing their jelly beans in bloody large numbers," as Dr Shepherd puts it.

Why did they not catch on to the potential of ulas sooner? It was partly the technology—Ferranti successfully fabricated ulas in a technology which had been bypassed by the big semiconductor houses—and it was partly market orientation. U.S. companies are geared, because of the economies of scale which can be obtained in the U.S., to making and selling cheap standard chips in vast quantities. Even now that Texas Instruments has declared its commitment to uncommitted logic, its first gate arrays are devices which it hopes to sell in millions chiefly to the computer and related industries. They are relentless consumers of very-large-scale integrated silicon products, but Ferranti is offering a "personal" service for more down-to-earth manufacturers.

The other reason is, inevitably, partly fashion. Now that Texas Instruments and IBM have given ulas their blessing, it has become a respectable technology.

The hard fact is that Ferranti of Sunnyvale, California, would sound a more likely appellation for a microelectronics world-beater than Ferranti of Fields New Road, Chadderton, Oldham.

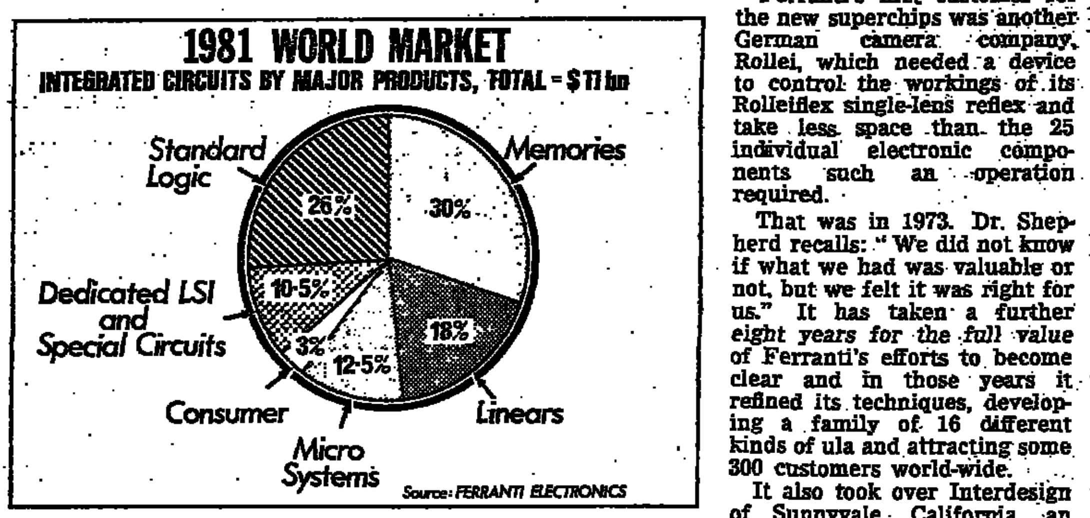
But no one disputes the quality of Ferranti's technology, nor the undoubted brilliance of its chief ula specialist, Mr David Grundy. The question, rather, is whether Ferranti's ula story will be one more example of a British lead in high technology thrown away as the Americans and the Japanese move in. Would it not be a good idea for Ferranti to seek a partner in one of the large U.S. semiconductor companies to push the technology jointly? Texas, for example, makes no bones about its intention of pushing Ferranti off the top rung, and the British company has no doubt it could do it.

Dr. Shepherd discounts the need for a joint operation, however, arguing that the large U.S. silicon chip houses have different aims and have not thought the array business—which is really a service industry rather than a wholesale operation—through properly.

Acquisition rather than co-operation was a better bet, Dr. Shepherd claimed, pointing to the success of the Interdesign takeover.

He accepts that the company must lose market share as his competitors' efforts gather pace but believes the new popularity of gate arrays wholly beneficial—Ferranti should end up with a smaller share of a significantly larger market.

The new technology (which after weeks of heart-searching, the company has decided to call FAB-2) and new products announced yesterday should help to keep the company's nose in front for a little while. Ferranti has done well to export silicon to Silicon Valley, but it may have to look for more than superb technology to stay in front in the much rougher marketing conditions ahead.



Martyn Barnes

The chart shows the market for all integrated circuits (excluding discrete components such as single transistors and resistances). All the segments except memories and micro systems are susceptible to replacement by ulas.

MEN AND MATTERS

Crime and punishment

Two high ranking Soviet officials have received long prison sentences for accepting bribes to protect a sophisticated underground business network in the Caucasus which produced and marketed millions of roubles worth of linen and knitted goods, currently in short supply.

According to reports in Soviet newspapers, Andrei Makarov, Deputy Minister of Local Industry in the Russian Republic, was sentenced to ten years' "loss of freedom," and a Mr Burzurtanov, the Minister of Local Industry of Chechen-Inguish, an autonomous republic in the Caucasus, was given 15 years in connection with the case.

Makarov was said to have promised that in return for 400 roubles a month and assorted gifts, the underground business, based in a fabric plant in a small integrated industrial plant in the Nazranov region of Chechen-Ingush, would have no problems with equipment or supplies.

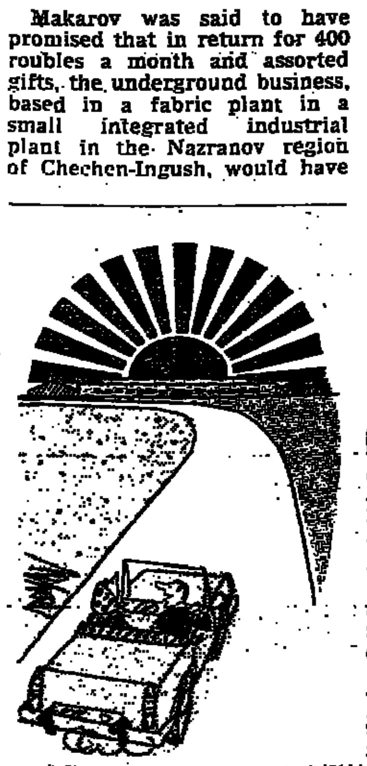
Burzurtanov received 1,500 roubles a month to protect the network which eventually produced imitation leather, knitwear and sewn items and marketed them in southern Russian cities all the way to the outskirts of Moscow.

According to Soviet press accounts, the syndicate was born when Veniko Shengelaya, a business-minded man from the area, decided with several associates to take advantage of the traditional lethargy of workers in the Checken-Ingush Republic and set up his own enterprise in a decrepit plant which produced linen for flour bags.

With the help of the plant's director, the group was able to falsify documents and recruit workers to manufacture highly profitable shopping bags. Output rose dramatically and, with the help of specialists in other towns, shops were set up to produce knitwear shawls and netting.

Under-the-counter marketing was organised for the sale of the illegally-produced goods and over five years the syndicate is reckoned to have earned roubles 5m.

The whole business might have gone unnoticed for many years had not one of the Chechen-Ingush businessmen been caught sending money to his brother in Italy, in the hope of eventually joining him there.



"It must be the Lotus factory."

Perilous

The Old Pauline Club—not, as you might think, an establishment in Shepherd Market, but the association for alumni of St. Paul's School—is evidently nagged by a murky sense of self-doubt about its choice of speaker for next week's annual dinner.

"The Club is delighted to welcome John Weitz as its chief guest," says the OP circular letter. "John has been the leading designer of men (sic) and womens' (sic) fashions in America for many years and his designs command the highest respect in the foremost haute couture houses in the world. His appearance suggests his occupation, but he is a most amusing and entertaining conversationalist. . ."

I can only wonder that the OPs did not see fit to enclose a photograph to help acclimatise members to this evidently intriguing gentleman.

Played out

It is like trying to imagine Swann leaving Edgar, or Mr Turnbull letting Mr Asser fend for himself. But there you are, the last Ivorys are cutting *their ties with Ivory and Sime.*

James Ivory and his brother Ian, who manage private clients' money for the Edinburgh firm, are packing their bags at 1, Charlotte Square and as of September will be setting up on their own. With them goes some £10m of managed private funds.

The move ends an 86-year tradition of Ivorys looking after private money at Ivory and Sime. While the amounts have not shrunk since 1895, they have become minute in comparison with the £750m of institutional and trust funds now in the company's careful hands.

Data banked

The apex of sexual fantasy for 3 per cent of the British population is a flashing light in the bedroom. Nine per cent go hot and cold all over at the thought of real fur bed covers, 11 per cent yearn for ceiling mirrors, while no fewer than 17 in every 100 shiver their little timbers at the thought of disporting themselves on a water-bed.

Five per cent of Labour Party supporters consider the Conservatives to be "Far/substantially Left," while only 2 per cent of Conservative supporters have succeeded in acquiring the belief that the Labour Party is an organ of a "Far/substantially Right" tendency.

Such are the fragmented glimpses of British society in 1980, to be seen in the mirror held up to it by the British Gallup Poll, a compilation of whose surveys is to be published later this month by Sphere.

A pretty gloomy bunch the British seem to be. In September 1980, 54 per cent pronounced themselves "Not very hopeful" about the future of the country, against a "Hopeful" 42 per cent. But when it came to feelings about one's own personal future, 61 per cent were "Hopeful," with only 32 per cent wearing the baleful countenance of the "Not very hopeful."

The Gallup pollsters also induced a broad spectrum of Europeans to reveal their true feelings about their fellow men. How trustworthy, they asked, do you rate your own and other nationalities?

No contract is as solemn and binding, it seems, as one made between German and German, with 90 per cent of Germans reckoning their compatriots "very or fairly trustworthy." Italians eye one another rather more nervously, with a mutual trust figure of 60 per cent, the lowest of the Common Market countries.

The word of the French, however, gets a fairly cool reception in perfidious Albion, commanding the confidence of only 32 per cent. The French, in contrast, rate the British 53 per cent sound.

And so to bed—in pink sheets (29 per cent), nude (41 per cent), and with the window open (89 per cent).

Ring of truth

"His wife was an absolute gem—but then she left him for a better setting."

Observer

هكذا من الأصل

In praise of older virtues

THE HARD line on fiscal policy, which was until recently regarded as deflationism run mad, has suddenly become quite popular. The general fury—not shared in these pages—at our own March Budget has died down remarkably quickly; the novel experience of interest rates which are quite low by international standards, and an exchange rate getting back into touch with reality, is not so bad after all. Herr Karl-Otto Poehl, the Bundesbank president, urges a tighter policy on his own Government, and everyone, including Wall Street, would be comforted by a tighter U.S. budget. Quite a change.

Intellectually, too, fashions are changing. In the academic world, there is a sudden revival of interest in two quite old ideas—the "equivalence theorem," which asserts that persistent Government borrowing is just as costly to the citizen as raising the same sums in taxation; and structural explanations on inflation, looking to bargaining theory and monopoly power in the labour and goods markets rather than to fiscal or monetary management.

These notions may look to the layman and to me like a rebirth of commonsense, but they are deeply threatening to those whose *intellectual* capital is invested in either of the warring schools of macro-economic cure-alls. They suggest that we can neither procure growth by borrowing nor fight inflation through funding. The great isms, Keynesianism and monetarism, begin to look discredited.

On the intellectual side, I find these developments profoundly encouraging. If economists are beginning to realise that the remarkable equipment inside their own skulls is capable of insights which no computer model can capture, they are bound to start saying something more useful and interesting. The texts of Hayek and Kalecki are far more rewarding than the equations of Friedman or the neo-Keynesians. However, this is a promise for the future. Intellectual fashions take a long time to filter through to the practical world, and Mr Beryl Sprinkel, President Reagan's monetary storm-trooper, will hardly be diverted from his path of cheery devastation by the news that students are now beginning to read some different books.

Back in the real world, the argument is on a different subject. What Herr Poehl, Dr Baffi in Italy, and our own Governor much more mutedly are pointing out is simply the dangers of contradictory fiscal and monetary policies, and especially the danger that when the biggest economy in the free world falls into this trap and bids up interest rates, the result may be simply an interest rate "war" in which everyone is the loser.

This is all painfully true as far as it goes, but it does not seem to me to go far enough. The outside world may complain that the U.S. is simply exporting its own inflation when the dollar, and oil prices, rise; however Mr Sprinkel could claim that the U.S. is exporting deflation when the cost of credit rises in response to U.S. moves.

Indeed, the "war" itself is distinctly one-sided. The Americans are not fighting an international war, as they see it, but a domestic one. They do not appear particularly interested in the rise of the dollar either as a threat—exporting remains a marginal activity for most U.S. businesses—or as a promise. On the contrary, their reaction to cheaper imports, which might help to check inflation, is largely protectionist.

KARL-OTTO POEHL
The hard line

What we are faced with is not an interest-rate war, but simple-minded monetarism on the rampage—what one may hope will be the last great trial and failure of the idea that technical actions by the central bank can banish the consequences of fiscal profligacy or feather-bedding. Monetarists are never much impressed by complaints that it hurts; the pain is meant to be the cure. They are especially unimpressed when the pain is mainly overseas.

What arguments can be addressed to people who think like this? What ideas, for example, could be urged at this summer's economic summit? Beggar-my-neighbour arguments are hardly likely to be persuasive; they are essentially angry and sterile. However, when one tries to analyse the problem on a world scale, looking at the interests of the industrialised nations as a group, some new themes emerge which could be persuasive.

On the positive side, it can be argued that a shift of balance is essential to leave room for investment and growth. On the negative side, there is a danger that a persistence with present policies *will lead to a general* financial collapse. As a small relish to a possibly unpalatable case, it can be added that fiscal rather than monetary deflation would, in a sense, dish Opec.

Before we get to the questionable technicalities, it may be helpful to get a grip on the fundamentals. Suppose that in 1973 and again in 1979 we had faced the results not of an Opec decision, but of a rather arbitrary war, which had wiped out much of our Middle East oil supply, together with the U.S. motor industry, and done extensive damage to other oil-dependent industries.

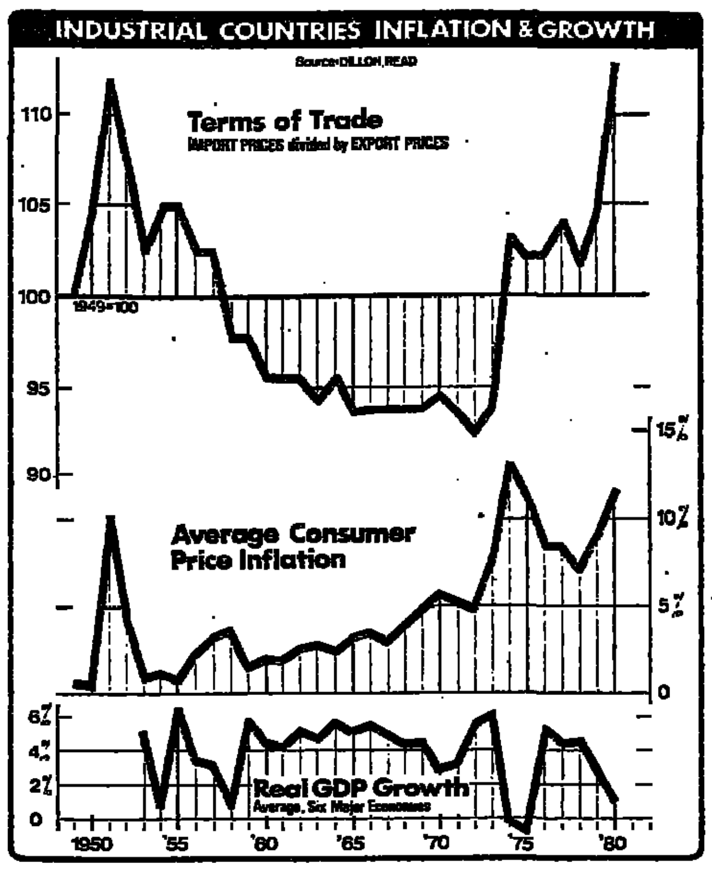
The results would have been rather similar to what actually happened in real terms, though not in financial terms. We would have faced steep price rises and an urgent need to explore for new energy sources and to re-equip industries: but we would have heard nothing about Opec surpluses, and their attendant "problems" — recycling, and the supposed rise in world savings.

In these circumstances there would have been very little agonising over the appropriate policy response, unpalatable though it might have been. In the 20th century, we understand the economics of reconstruction. You have to divert resources from consumption to repairing the damage. Whether you do it inefficiently through repression and direction, like Stalin, or efficiently through tight budgets and low interest rates, like Ludwig Erhard, or fall between two stools, like Hugh Dalton, the aim is the same.

Why did we get it wrong in the 1970s? Both the main schools of thought contributed their characteristic errors. The Keynesians in the treasuries and the OECD regarded the Opec surplus as a demand problem rather than as a source of reconstruction capital; monetarists sought to fight the price adjustment with high interest rates. Push-me-pull-you policy resulted.

We do learn something from experience. By 1980, we had learned scepticism; almost every government responded to the 1979 oil price rise by tightening fiscal policies rather than "offsetting" the Opec surplus, and the result was less bad than the first time round, whether measured by output or inflation, as Mr. Gordon Richardson pointed out recently. Now, however, President Reagan has come to office, apparently determined to repeat the errors of Mrs Thatcher and of 1974. The markets have understandably panicked.

This market reaction is of profound importance, for it is a solid fact. It is sometimes argued that the whole case for fiscal restraint—or honest budgeting, as I prefer to call it—is based on a naive notion of "crowding out," which is a myth.



Bob Hutchison

However, this is not really an issue of the theory of the flow of funds; it is a fact of market life. The prospect of a large increase in official borrowing drives up the cost of capital, and inhibits investment, even if the market is awash with funds. It is often said that the bond markets are expressing a view of future inflation, and a sceptical one; they do not seem to have the rational expectations which monetarists expect of them.

I suspect that they are rather expressing a view of future interest rates, and of the quality of the paper on offer. An endless build-up of debt with no counterpart in real assets is a disquieting spectacle, wheather the borrower is the UK Government paying the dole, the U.S. Government buying arms, or a nameless developing country paying bribes.

It is here, of course, that the danger of a financial collapse is seen to yawn. A reliance on high interest rates in nominal terms poses a Catch 22 for investors. Should they succeed in reducing inflation, they will prove insupportable for many borrowers; should they fail, they are no compensation for possible inflation. Hence the growing addiction to floating interest rates, which make the system ever less *responsive* to *discipline*, and the flight out of bonds into equity and real property. Monetarism has so far notably failed to restore confidence in money.

The call for tighter fiscal policy, lower interest rates and borrowing restricted to the creation of real assets is thus essentially a wordless cry from the markets;

We are now back where we came in; the disillusion with recently fashionable policies, and the revival of much older virtues, have arisen because markets, often wiser than their participants realise, seem to have begun to look past the numbers for money creation and official borrowing to the frightening realities beneath them. However, newly-converted enthusiasts should be aware that while sound budgeting may be commonsense, it is in no way a panacea.

What are we to do about growth, if discretionary fiscal stimulus is ruled out? How do we address inflation, if as a result of reduced official borrowing, credit becomes cheap? The negative answer—that we still need fiscal stabilisers to avoid deepening the trade cycle, and monetary guidelines to avoid fuelling inflation, is oddly unsatisfactory.

The answer is that we do not know—which is at least, like the proposed budgeting policy, an honest one. The students of market structure may tell us some uncomfortable truths about inflation; the study of real resources and innovation will give some account of how growth happened, if not how to create it.

Simply to provoke thought, I append a fascinating chart constructed by Brian Reading of Dillon Read, which traces inflation, growth and the terms of trade over the last three decades. For much of that period we seem to have grown partly because of large trading advantages for the industrialised countries, and to have inflated in spite of this help. When we fully understand why things happened as they did, we will begin to achieve real understanding, in place of the over-simplifications which are at last going out of fashion.

Anthony Harris

Letters to the Editor

Bring back Bank Rate

From Mr T. Congdon.

Sir,—In his Lombard column (June 8) Samuel Brittan urges that the Bank of England be instructed to abandon control over interest rates and conduct its open market operations to make the banks "short of funds." He does not, however, explain how the shortage is to be created. If he had done so, he might come to understand that the Bank of England cannot avoid controlling interest rates when it carries out an instruction of the kind he mentions.

The only way in which the Bank can cause a shortage is by selling assets to the banking system. The system pays for the assets (normally Treasury or commercial bills) with cash. If its cash holdings had previously been adequate, it is now "short of funds" and the official operations have had the desired effect. Obviously, the assets sold to the banks must have a price and associated with any particular price is a rate of discount or interest. Since the Bank of England sets this price, it must willy-nilly also set interest rates. To order the Bank of England to drain the money markets of cash, while letting interest rates be determined by "the market," is like asking a barrow-boy to sell apples and oranges without allowing him to change his prices.

Ironically, the Bank of England does not need an instruction to make the banks "short of funds." That has been its prime operational goal in the money markets for over a century. When the system is short, it is forced to borrow from the Bank at a rate which the Bank decides. In that way the authorities accomplish their interest rate objectives.

Mr Brittan also recommends that interest rates "take the strain" of the civil service dispute. It is difficult to know what to make of this advice. The dispute is holding up tax payments and thereby enlarging the excess of the Government's cash disbursements over its receipts. This excess is injecting cash into the banking system, easing conditions in the money markets and putting downward pressure on interest rates. No upward interest rate "strain" whatever arises from these events.

Like Mr Brittan, I am in favour of abolishing MLR. It is a silly name for a rate of interest which will always exist while there is a central bank in Britain. This is the lowest rate of interest at which the central bank lends cash to the banks. May I suggest that it be called Bank Rate?

Tim Congdon.
(L. Messel and Co.).
Winchester House,
100, Old Broad Street, EC2.

Payment by results

From the Chairman,
British Steel Corporation

Sir,—I read with interest the article by Mr John Elliott (June 6) in regard to state industry chairmen's pay. In the interests of accuracy I would like to comment on the reference to my own pay. In the footnote the statement "has substantial extra payments geared to performance" is not quite correct.

The actual terms of my arrangements with the Minister of Industry is that a partnership, Lazard Freres of New York, will receive payments if certain performance conditions are met.

As a limited partner with a very small participation in that partnership I may, if the partnership is otherwise profitable during the particular year of such payments, receive a small portion of the payments, which are geared to the performance of the British Steel Corporation.

Ian MacGregor,
33, Grosvenor Place, SW1.

The effects of rate increases

From the Finance Director,
Tesco Stores (Holdings)

Sir,—Surely the present controversy surrounding the new rating system turns on a contradiction implicit in the policies of the present administration. While, on the one hand, the Government has frequently emphasised its concern to regenerate Britain's inner urban areas, on the other, the new allocation of resources under the block grant system, now shifted in favour of the shire counties, runs counter to the achievement of this ambition.

This is not to deny the need for an equitable distribution of central government funds or for urban authorities to maintain tight control of their expenditure. Obviously, both objectives are of paramount importance. Nevertheless, the present balance of resources can only serve as a disincentive to effective inner urban renewal.

This is doubly so, at a time when industry and commerce are working to unprecedentedly low profit margins. Of course, rates are only one element of a company's total costs and, equally, they are generally regarded as a fixed expense.

When a group such as my own is faced with increases of 30 per cent or more—amounting *to a liability of £17m for the* current year—then rating can no longer be considered a marginal cost: the more so when it is remembered that non-domestic ratepayers (who account for almost 60 per cent of the total rate take) are effectively, disenfranchised; having no say whatsoever either in the levying or disbursement of such funds.

But this is not all. It is now almost inevitable that certain authorities may have to levy a supplementary rate later in the year. Such "catch as catch can" finance makes nonsense of an attempt at forward budgeting—beyond the inflationary implications of such a situation at a time when it is believed that the Government's counter inflationery strategy may be slowing down.

Thus, while not arguing for a preferential structure for non-domestic ratepayers, it is to plead for a consistency of economic approach to the problems of inner urban redevelopment. In practice, what investor is going to be attracted to highly rated central areas where, coincidentally, land development costs are high, when there is always the possibility of achieving a comparable development on a lowly rates edge-of-town or out-of-town site?

Yet this is exactly the situation that is emerging: a situation where companies are facing punitive rate increases in certain of our major conurbations, as against more acceptable rises in less densely populated districts. Certainly, this is not an apology for the "big spenders" amongst councils, or a justification for authorities living with expectations well beyond their means. This said, however, and against the fact that during an intensely inflationary period local government expenditure has fallen for half a decade, there is surely a case for the Government to rationalise the historical anachronism that is the rating system — in the interests of all concerned.

The alternative is a continuation of the present "Catch 22" world—a world in which the already reduced services supplied by many councils will deteriorate still further and with them the prospects of effective urban renewal, without any increase in their rate base. If rates did continue to rise, it must discourage effective investment to the ultimate cost of the authorities themselves. No-one questions the complexity of the problems or that it is one demanding a sympathetic solution.

R. Temple.
Tesco House, P.O. Box 18,
Delamare Road, Cheshunt,
Waltham Cross, Herts.

Strength of sterling

From Mr L. Jackson

Sir,—Like many others, I was fooled by the suddenness and scale of the wave of selling which hit sterling. I would like to update my letter of June 4.

It has been vigorously demonstrated that the exchange rate is a market rate and that the interest differential theory is alive and well.

The oil glut and the forthcoming reduction in UK oil prices presumably means that the UK henceforth will sell less of its surplus at a lower dollar price. Ray Dafter's report (June 6) contains the welcome news *that the potential loss in revenue from the $2 reduction* would be offset by the strong *dollars earned. But if cuts in* production result from the wrangle over prices between BNOC and the other companies, this would further erode the UK's surplus.

These factors, and the fact that our non-oil-producing EEC partners will pay less for their oil must reduce the margin of the UK's export advantage from oil but it does not remove it. Foreign dealers and their clients who understandably sold sterling because they did not want to be caught long in a falling currency will eventually need sterling. Then the rate should start to move up. How far—with the very high American interest rates continuing—is anyone's guess.

Leonard Jackson.
Caritas, Heathside Lane,
Hindhead, Surrey.

The advent of channel four

From the Managing Director
Eastern England TV

Sir,—The ITV managing director quoted by your correspondent Arthur Sandles (May 28) may not admit that there is any campaign to stop the fourth channel but that is certainly how it appears to those on the outside.

It is important to remember that all the costs and conditions relating to the establishment of this new service were known to the applicants for ITV contracts and were built into the financial projections upon which they were judged. It is deceitful now to talk of costs based on 1980 figures and new burdens brought on by indexation. Our own projections assumed a steady inflation factor and we loaded our mandatory subscription to the fourth channel accordingly. Presumably others—including the successful applicants—did likewise.

I am not surprised that the companies are unwilling to air their complaints openly. There is still six months to go before they need take up their new onerous responsibilities and if any of them are now having second thoughts this company is ready and willing, even at this late date, to step in and take its place.

In considering such a possibility perhaps the Independent Broadcasting Authority might lift its eyes from the balance sheets for a moment and look at what is happening in ITV. A 47 per cent share of the audience, in competition with a revenue-starved BBC, is surely hardly satisfactory. The reason for this, as any viewer knows, is obvious. The competition provided by the franchise exercise appears to have produced nothing and the general standards of service, choice of content, and level of presentation in regional ITV is not one jot better than it was prior to 1980.

With the competition that is about to result from satellite broadcasting and videogram distribution they probably do not have the ability to survive anyway. The more reason, therefore, why they and their political friends should not be allowed to keep out new talent by stopping the fourth channel.

Forbes Taylor.
1 Lowther Gardens, Prince
Consort Road, SW7.

Car park charges

From the Chairman,
Dewe Rogerson.

Sir,—I wonder if any of your readers feel, like me, that National Car Parks (in association with British Rail) is overdoing things by raising charges once again for parking in its Broad Street open-air swamp? The May rise, the fourth in the last 22 months, is an increase of 118 per cent in the period, and now represents £144 per quarter or £3.50 per day.

Roderick Dewe,
4 Broad Street Place,
Blomfield Street, EC2.

Civil service pay

From Mr D. Lindsay.

Sir,—Mr Wright, of the Institution of Professional Civil Servants, seems to be saying (June 5) that civil service pay has fallen behind pay for comparable work outside the service, but that simply is not the case.

Take the lawyers, for example. In 1971 a senior legal assistant in the Civil Service fell in the range £3,461 to £4,565; in the competitive industry in which I am employed, the comparable grade range was then £3,488 to £4,674. Today that comparable falls in the range £9,025 to £11,325, with an 8 per cent increase from April 1, while the range for the Senior Legal Assistant in the Civil Service today is £13,340 to £17,265, with 7 per cent more to come.

David G. Lindsay.
36, Orchard Coombe,
Whitchurch Hill, Reading,
Berks.

Today's Events

GENERAL

UK: King Khaled gives State banquet for the Queen and Prince Philip, Claridges, W1.

The Queen opens National Westminster Bank Tower in the City.

Prince Philip, as Chancellor, confers Cambridge University doctorates on Dr Robert Runcie, Archbishop of Canterbury, and Lord Carrington, Foreign Secretary.

Mr Roy Jenkins, member of Social Democrat Party leadership, attends Parliamentary candidate selection meeting, Warrington.

Mrs Shirley Williams, member of SDP leadership, addresses Royal Institute of British Architects conference, London.

Overseas: EEC Finance and Social Affairs Ministers meet to discuss unemployment, Luxembourg.

Arab League Foreign Ministers meet in Baghdad to discuss Israeli raid.

General election in Republic of Ireland.

Herr Hans-Dietrich Genscher, West German Foreign Minister, starts two-day official visit to Spain.

EEC Environment Ministers meet, Luxembourg.

Mr James L. Buckley, U.S. Undersecretary of State, starts visit to Pakistan to discuss economic and military assistance.

PARLIAMENTARY BUSINESS

House of Commons: Debate on Opposition motion on damaging effects of Government policy on the rights, status and opportunities of women.

House of Lords: Foods and Drugs (Amendment) Bill, third reading. Transport Bill, committee. Insurance Companies Bill, third reading.

Select Committees: Agriculture, on Supply Estimates. Witnesses: Ministry of Agriculture; Intervention Board for Agricultural Produce. Room 16, 11.15 am. Treasury, on effectiveness and efficiency in Civil Service. Witnesses: Sir Douglas Henley, Comptroller and Auditor General. Room 15, 4.0 pm.

COMPANY MEETINGS

See Company News on page 23.

COMPANY RESULTS

Final dividends: Ariel Industries. Brown Shipley Holdings. Continuous Stationery. James Finlay. Hill Samuel Group. Plysu. 600 Group. Staveley Industries. Valor. Henry Wigfall and Son. **Interim dividends:** Burco Dean. Fairline Boats. Sidlaw Industries.

UK COMPANY NEWS

Westland Aircraft climbs to £12.4m at half way

IN THE half year to March 31 1981 Westland Aircraft, the Yeovil based group engaged in the design, development and sale of helicopters, hovercraft and control systems, turned in increased pre-tax profits of £12.43m compared with £10.57m, on turnover up from £105.44m to £118.39m.

The directors have declared an increased interim dividend of 2.5p net (2p) per 25p share. Last year a total of 5.5p was paid.

The Rt Hon Lord Aldington, chairman says despite strenuous sales activity in many parts of the world orders for military helicopters have been disappointing, not through losing in competition but through the tightening of defence budgets.

This is bound to have some effect on factory activity in 1982.

Product support business has been better than expected, he says. Interest in the Westland 30 is growing, as is interest in the Army Lynx.

The total group order book is higher than at the end of last year though it stretches further ahead.

The contract for the first phase of the development of the EH101 helicopter has been further delayed but is expected very shortly. The EH101 is to be primarily a naval helicopter and he says it is clear that Westland will be asked by the Ministry of Defence to contribute to the development costs or to enter into collaborative ventures with it.

Westland has already agreed, to contribute £2.75m in nine monthly tranches to the first phase, once it has started. It is also discussing with the Department of Industry aid for the EH101 development programme.

Work on the development of the WG 30 continues satisfactorily he says and Westland's private venture expenditure for that is expected also to be assisted by the Department of Industry.

The profit for the whole year 1980-81 will not be significantly affected by the shortage of helicopter orders for the near future, but may to some extent be lessened by the high private venture development effort.

"It must not be assumed that trading in the second half of this year will be as favourable as that of a year ago," he says. "Even so, with our present knowledge, the directors would expect the final dividend to be not less than last year's."

Turning to the control system activities he says the variety of applications of Westland's technology has ensured that, despite market fluctuations, growth in this business continues.

The recent acquisition of Delaney Gallay Dynamics, has made a natural addition to the environmental control and energy management systems.

In the area of other products, difficult trading conditions continue for Saunders-Roe Developments and Westland Engineers. FPT Industries, and the Belgian, German and U.S. activities are making satisfactory contributions to profit, he says.

A breakdown of half year sales and operating profit by division shows: helicopters £86.94m (£75.12m) and £6.4m (£6.35m); hovercraft £1.75m (£5.03m) and £413,000 (£1.06m); control equipment and systems £19.86m (£15.03m) and £3.77m (£2.51m); other products £9.94m (£10.25m) and £266,000 (£279,000 loss).

Pre-tax profit was struck after research, development and learning costs of £4.48m (£2.12m), share from associates of £89,000 (£30,000) and interest charges of £1.38m (£924,000).

Tax is estimated to take £4.38m (£2.66m) and the attributable profit emerged at £6.9m (£7.17m) after minority interests of £1.16m (£741,000). Dividends absorb £1.48m (£1.19m) leaving a retained balance of £5.42m (£5.98m).

The earnings per share are stated at 11.6p (12.1p), and while no CCA accounts are being published for the half year, current cost adjustments would reduce pre-tax profit to £6.7m, Lord Aldington says.

Lex, Back Page

HIGHLIGHTS

Lex looks at the tentative easing of U.S. interest rates and the effects on corporate fund raising in North America and the sterling financial markets. Lex then moves on to two company news stories of the day. **Westland Aircraft's** pre-tax profits have increased from £10.6m to £12.4m and the dividend *is increased* a quarter. **Hanson Trust's** profits are £2m higher at £18.2m. On the inside pages retailer **H. Samuel** comes in for comment while at **B. Elliott** poor results from UK operations have left the group lower for the year with a fall in profits from £11.39m to £6.6m. **London and Overseas Freighters** moves into the red for the year though the dividend is held.

£127,000 deficit for LOFS

A pre-tax loss of £127,000 is reported by **London and Overseas Freighters**, shipowner, for the year to March 31 1981. Last year there was a surplus of £4.62m, although this included profits of £4.26m from the sale of vessels.

After tax of £303,000 (nil), the loss per 25p share is shown as 2.1p (6.8p earnings), but the single dividend is maintained at 1.072p net.

The pre-tax deficit included depreciation of £2.98m (£2.95m) and interest charges of £1.84m (£2.04m) and was also struck after investment income and interest received of £2.54m (£2.43m) and currency credits of £486,000 (£291,000 debits).

The attributable loss emerged at £961,000 (£3.83m profit) after minorities credit of £30,000 (£667,000 debit), associate losses of £775,000 (£125,000) and a surplus on the sale of listed investments of £214,000 (nil).

• comment

The market seems to have been expecting very little from LOFs and that is exactly what it got. The company's disappointing £4.75m downturn into the red was worse than expected, despite *danger signals already flashed*. The main reason for the losses was the absence of a chunky £4.2m surplus on vessel sales. In addition, tanker rates were soft in a poor market last year. The current world oil glut does not bode well for LOFs, but the company is being tight-lipped about its prospects. There will have to be some improvement in associated trading, which last year made a loss of £775,000. But the associated company, like the main business, is suffering from world market problems. Nearly £1m of attributable losses, meanwhile, did not make much of a dent in the group's healthy balance sheet. A closer look at the group's assets, however, reveals once again the disparity between yesterday's share price *of 41½p and a net asset value per* share of at least twice this amount, the maintained dividend yields just 3¼ per cent.

Hanson increases profit and dividend by 13%

TAXABLE PROFITS of Hanson Trust, the agriproducts and industrial services group, rose 13 per cent from £16.1m to £18.2m for the half year to March 31, 1981, following a 25 per cent increase to £39.1m in the previous 12 months. First-half sales were up £8.8m to £374.6m.

In the U.S. profits from industrial services climbed from £5.7m to £11.6m on higher sales of £162.8m (£132.9m), but agriproducts profits dropped £0.8m to £3m, on marginally lower sales of £119.4m (£120.4m).

Industrial services profits in the UK fell from £9.2m to £6m, with sales down £18.5m *to £80.1m*, and profits from agriproducts slipped to £0.4m £0.5m) on sales of £12.3m (£13.9m).

Stated earnings per 25p share rose from 9p to 10.7p, while the interim dividend is being stepped up 13 per cent to 4.25p (3.75p) net—last year's total was 8.5p.

The half year pre-tax profits were after charging £2.8m (£3.1m) for parent company expenses less property and other income. Tax took £6.2m (£6.1m) and after unchanged minorities of £0.3m, net profits came through ahead £2m at £11.7m.

On prospects, Sir James Hanson, the chairman, says there are indications that the end of the recession is just around the corner. Although there remain soft spots in the UK economy the U.S. continues to recover and he is confident that the future in both countries now looks brighter than for some time.

"Positioned, as we are, to continue our growth despite *recessions* and other worldwide problems, we are as always seeking out every possible opportunity contributing to our upward progress," he adds.

In the U.S., the fully asset-backed acquisition, McDonough has now been brought into the group and Sir James reports that sales and profits for this new division are running at good levels, higher than in the same period last year.

Seacoast has made a reasonable start to the new fishing season, but Hygrade is continuing *to experience* a shortage of hogs and high prices of beef, and results to date indicate that it will be difficult to exceed last year's profit.

Interstate United, the food management company, continues to expand its recreational business and is on budget. Carisbook, the speciality textiles group, produced record first-half results.

In the UK, Butterly Building Materials is doing well against the general trend and has recently launched a completely new "Sherwood" range of bricks.

Barbour Campbell, yarn and thread, faces difficult trading conditions as do some of Lindustries' engineering and polymer companies. Robert Morton, brewing equipment maker, has done well, but results from SLD, the pump hire and construction equipment concern, and Northern Amalgamated Industries are below normal.

All companies, however, continue to control capital employed and to streamline operations to ensure their strong survival.

Trading is flat throughout British Agricultural Services, but the farm machinery activities in England have shown some slight improvement. However, it will be another tough year for these companies.

Last month, Hanson announced a 200p per share cash offer for G. H. Downing, the building products, refractories and electricals group. To date, Hanson has received irrevocable acceptances representing 24 per cent of the Downing capital — mainly from members of the Downing and Skailes families.

Lex, Back Page

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Barlow Holdings	2	Aug. 6	2	4‡	3
B. Elliott	3	Oct. 16	7.25	8	12.25
Hanson Trust ...... int.	4.25	July 24	3.75	—	8.5
LOFS	1.07	—	1.07	1.07	1.07
Nthn. Goldsmiths	2.66	—	2.4	3.51	3.25
Pegler-Hattersley	5.5	Aug. 11	5.5	9.5	9.5
H. Samuel	4.75	Aug. 12	5.52	6.25	6.25
Thomas French ...... int.	2.25	Aug. 26	2	—	5
United Spring ...... int.	Nil	—	0.95	—	2.05
Westland Aircraft ... int.	2.5	July 31	2	—	5.5

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Includes special dividend of 1p.

T. French lower at mid year

PROFITS before tax of Thomas French and Sons, manufacturer of curtain styling products and surface heating equipment, amounted to £881,765 in the first half to March 28 1981. In the corresponding period last year the group produced a surplus of £926,184, adding a further £1.34m in the second half for a total of £2.27m.

Mr T. J. French, the chairman, describes the result as respectable against the background of a depressed economy in the UK. The directors are lifting the interim dividend from 2p to 2.25p net—last year's total was 5p.

The surplus included associates of £10,400 (£2,388) and was subject to tax of £324,988 (£443,156).

Minorities took £6,983 (£17,199) leaving a net surplus of £449,794 (£465,829), of which the interim dividend absorbs £84,375 (£75,000).

Mr French says the group's Rufflette curtain styling products sold well at home and overseas, although the unfavourable exchange rate took some steam out of the export sales momentum achieved last year.

Other interests found the going more difficult but still performed creditably, he adds.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Fairline Boats, Sidlaw Industries.

Finals—Ariel Industries, Brown Shipley, A. Cohen, Continuous Stationery, James Finlay, Hill Samuel, Plysu, 600 Group, Staveley Industries, Valor, Henry Wigfall.

FUTURE DATES

Interims—

Hardys and Hansons	June 24

Finals—

Anderson Strathclyde	June 22
Bankers Investment Trust	June 16
Country Gentlemen's Assocn.	June 29
ERF	June 18
Halma	June 23
Rowton Hotels	June 12
Pawson (W. L.)	June 19
Racal Electronics	June 23

Pegler-Hattersley slips to £11m

TAXABLE PROFITS of Pegler-Hattersley fell from £12.51m to £10.89m in the year to March 28 1981 on increased turnover of £112.4m compared with £109.95m.

The directors of this Doncaster-based manufacturer of domestic plumbing and heating fittings, industrial valves and general products, have recommended a maintained final dividend of 5.5p net per 25p share making a same-again total of 9.5p.

The pre-tax profit was struck after earnings from associates of £6.15m (£4.94m), interest received of £1.02m (£516,000 paid) and estimated metal stock depreciation of £710,000 (£760,000 appreciation).

Tax took £3.66m (£4.04m) and the attributable profit emerged at £8.54m (£8.39m) after an extraordinary credit of £1.5m (nil).

The earnings per share are shown as 23.4p (28.6p).

Current cost accounting reduces the pre-tax surplus to £3.12m.

• comment

A company with a market capitalisation of £53.7m and cash in the bank of around £14m is a rare animal. Even more unusual is finding this specimen in the ailing UK engineering sector. Yet thanks to the sale for £16.5m of its interest in McEvoy Oilfield Equipment this autumn and rigid stock control, stocks down by £8m over the year, Pegler Hattersley now finds itself in this enviable position. What it plans to do with the money is less certain with talk of acquisitions in the U.S. in the same field of business and a UK valve distributor. On the trading front, the 40 per cent decline in profits was accounted for by an earnings collapse in its building division which got involved in a price-cutting war to maintain market share. The valve division improved on last year with some recovery from steel valves and merchanting was boosted by higher European contributions. Staff cuts should save about £6m in a full year. With no immediate sign of a UK recovery, the company in the short-term will have to rely on the earnings growth from its South African operation. After a £6.5m book profit on McEvoy *net assets per share* rose by 13.2p to stand at 284p at year-end, a 61 per cent premium over the shares. At 176p the shares yield a relatively high 8 per cent and the p/e, fully taxed, is 10.

SPAIN

June 10	%	+ or −
Banco Bilbao	326	+9
Banco Central	392	+12
Banco Exterior	303	+3
Banco Hispano	310	+8
Banco Ind. Cat.	123	
Banco Santander	364	+15
Banco Urquijo	205	+6
Banco Vizcaya	344	+10
Banco Zaragoza	249	+8
Dragados	209	+9
Espanola Zinc	87	+1
Fecsa	75.7	+3.2
Gal. Preciados	49.5	+1
Hidrola	83.5	+3.8
Iberduero	69.5	+3.8
Petroleos	124.5	
Petrolibar	99	+1
Sogefisa	65	
Telefonica	76	+4
Union Elect	78	+4

WESTERN SELECTION

Part of the allotments on applications for excess shares of Western Selection and Development was stated incorrectly in yesterday's edition. Applications for 2,501 to 10,000 shares will be alloted 1,380 shares.

RIGHTS RESULT

The rights issue of 9.25m shares from **Jefferson Smurfit** has been taken up as to 95.8 per cent.

BPC ready to benefit from restructuring

Lord Kearton, the recently appointed non-executive chairman of BPC, told shareholders *at the annual meeting yesterday* that the restructured printing corporation was in a position to benefit from the agreements reached with its workforce and bankers and the remaining third of the foreshadowed 2,500 redundancies were to be effected before the end of this month.

Questions from the floor of the meeting were handled by the chairman with some ease. One shareholder called for the resignation of the six directors serving on the BPC board before *the injection of funds* by Mr Robert Maxwell, the chairman of Pergamon Press and now chief executive of BPC, but the call met little response from other members. The 10 resolutions which detailed proposed boardroom re-appointments were carried with little or no opposition.

The meeting, which was politely picketed by striking NUJ members on Pergamon's staff in Oxford, heard of several boardroom resignations notified *since the accounts for BPC were* published last month.

The departures of Mr J. M. Pickard, Mr J. R. Edwards and Mr O. P. Hassell have already been disclosed but Mr A. W. Cook and Mr David G. Perry have recently taken appointments outside the corporations. In addition, Mr Monty Alfred, who was largely instrumental in bringing Lord Kearton into BPC, has not sought re-election to the board.

National Electric up at 15 months

Net profits of the **National Electric Construction Company**, which operates as an investment trust and is ultimately held by British Electric Traction Company, were £528,993 for the 15 months to March 31 1981, compared with £410,915 for the *preceding year*.

The surplus was struck after tax of £222,742 (£165,179)

B. Elliott tumbles to £6.56m after setback on UK operations

ALHOUGH OVERSEAS *operations of B. Elliott and Co.* performed well, a slump in the UK trading performance caused group pre-tax profits to tumble from £11.39m to £6.56m for the year to March 31, 1981. At halftime, this maker of machine tools and engineering products reported a reduction from £4.6m to £3.16m.

The change in trading pattern was very marked during the year and although group sales were little changed at £111.97m (£110.96m), over £60m of this *was delivered to overseas* customers. This represents 54 per cent as against 40 per cent last time.

The order book at March 31, 1981 totalled £28m, compared with £40m in April, 1980. The present figure of £8m consists of £11m in orders on group overseas companies, £7m of export orders on its UK companies and £10m from home customers — against £19m home orders last April.

Mr Mark Russell, the chairman, says that in the UK the home order book is the prime concern, but it is hoped to maintain or improve on the export performance. However, with low home demand and pressures on margins likely to continue, the company expects to be operating at a loss in the UK for the first six months of the current year.

For the 1980-81 year UK profits dived from £7.57m to only £127,000. Home manufacturing companies incurred losses of £613,000 (£2.1m profits), while profits from merchanting dropped from £5.47m to £740,000.

Elliott is one of the leading suppliers of high technology machine tools in the UK, but the chairman points out that it is distressing that the level of orders on the group reflects the current lack of confidence among British manufacturers.

The short-term prospects of the overseas operations show few signs of material change in the current year. Good results are expected but not any further dramatic increases in *profitability. In 1980-81 overseas* profits jumped from £3.6m to £6m — 91 per cent of the total.

As forewarned at the interim stage, the final dividend is being reduced and a payment of 3p (7.25p) cuts the net total from 12.25p to 8p per share. Stated earnings per 25p share fell from 46.92p to 29.74p.

On a current cost basis, earnings dropped to 12.8p (20.04p) while pre-tax profits declined from £6.76m to £3.3m.

	1980-81 £000	1979-80 £000
External turnover	111,967	110,962
UK manufacturing	29,267	34,862
—machine tools	19,304	24,421
—general engineering	9,963	10,441
UK merchanting	34,134	44,458
Overseas	48,566	31,642
Trading surplus	9,895	13,243
Depreciation	2,075	1,703
Interest costs	1,265	152
Profit before tax	6,555	11,388
UK manufacturing	*613	†2,099
—machine tools	*380	†1,919
—general engineering	*233	†180
UK merchanting	740	5,467
Overseas	6,005	3,598
Parent company and consolidation	423	224
Tax	339	3,020
Net profit	6,216	8,368
To minorities	1,105	663
Extraordinary debits	‡2,748	—
Available	2,363	7,705
Dividends	1,379	2,104
Retained	984	5,601

* Loss. † Profit. ‡ Comprises costs of factory closures and other significant *reductions in plant capacity*.

With the drop in UK orders far more dramatic than expected, the group has been forced to make substantial cuts in its operations. Production has been terminated at its standard machine tool factory in Peterborough, the grinding machine factory at Sheffield and the small Newall foundry at Bury.

These three closures have involved the loss of 400 jobs and the number of UK employees has been cut by a further 700 in the rest of the group's UK operations.

However, the group has stepped up its development programme in the machine tool factories and has some promising new products nearing completion. The foundries division has entered into a new development for iron casting production and first results are very encouraging, states the chairman.

He says the group's balance sheet remains strong, with total borowings still representing under 30 per cent of shareholders' funds.

The programme of bajor capital expenditure in the UK is now complete but in South Africa substantial plant is on order for the Strip Steel works and the main machine tool factory.

In South Africa, 1980-81 pre-tax profits of Goldfields Industrial Corporation surged 83 per cent to £4.7m.

• comment

B. Elliott makes no bones about the dramatic wa yits earnings pattern has shifted. The South African operations had already become a substantial feature of recent profits but further expansion there, coupled on a smaller scale with encouraging *performances in North America and* Australia, mean that overseas trading profits comprise 91 per cent of the total. The group's conservative attitude toward the resultant ACT liability — writing it off entirely at a cost of £1.38m — looks correct. For one thing, stock relief is now a permanent fixture of UK corporation tax planning and, while the capital spend is set to come down this year from £3m gross to about £1.8m, it is hard to see when most mainstream machine tool and engineering groups will *be earning much of* a return on domestic operations. Certainly Elliott foresees a UK loss in the first half this year and its hopes, inter alia, for the programmed grinding machine prototype and the iron casting licence still rest on some awakening of UK demand. It has written some £640,000 above the line for across the board redundancy costs and, for the moment, it seems right to add that charge back to current year profits. But the chances of maintaining the reduced dividend, now yielding 7.1 per cent at 165p, rest almost exclusively on South Africa where Elliott, at least, sees some pause in the rate of economic growth.

Unit fund introduced in U.S.

Kemper-Murray Johnstone has launched a new unit fund in the U.S. to give U.S. investors access to non-U.S. securities. *During* the 45-day initial underwriting period, the new fund — Kemper International Fund — has raised $22.7m in the U.S.

Kemper - Murray Johnstone (KMJI) was set up early in 1980 by Murray Johnstone, the Scottish investment trust managers, and Kemper Financial Services, a U.S. asset management firm which controls funds of about $11bn.

KMJI, owned 51 per cent by Kemper and 49 per cent by Murray Johnstone, was set up on terms which channelled all Kemper's international business through KMJI, while Murray Johnstone agreed not to manage any U.S. funds other than through the joint venture.

To begin with, KMJI was given the management of $30m belonging to Kemper Financial's parent, Kemper Corporation, with the object of matching the parent company's re-insurance commitments outside the U.S. The second phase, which began during 1980, was to draw into *the portfolio some of the $1.1bn of pension funds* managed by Kemper Financial.

Kemper International Fund is independent of the existing funds managed by Kemper, except for a small initial investment from some pension funds. *So far it has otherwise raised* money entirely from a programme of presentations to brokers throughout the U.S. It is intended, however, to attract investment from small corporate pension funds, which would otherwise find it administratively awkward to manage an overseas portfolio.

KMJI is seeking to manage in this way portfolios of $5m and upwards.

Cattles refinances its entire bank borrowings

Cattles (Holdings), the Hull-based consumer finance company, has refinanced its entire bank borrowings in a £25m deal.

First Chicago Limited, the UK merchant banking arm of the Chicago bank, has put together a syndicate of nine British and foreign banks. The syndicate takes the form of a £7.5m short-term facility and a £17.5m three-year revolving credit. This replaces debt previously held on a current line basis only.

Cattles said yesterday that the refinancing will "enable the company both to secure its future sources of funding and reduce its overall borrowing costs."

The combination of sharply higher interest rates, higher bad debt provisions and fraud at a Sheffield branch, last year, has hit the group's profits, and in the nine months to end-December the group made a pretax profit of £235,000 against a profit of £974,000 in the year ending March 1980. After tax and extraordinary items, Cattles made a loss of £388,000 in the nine-month period ending December 1980 and cut its dividend.

At the end of 1980 the group had net assets of £8.4m, net receivables of £31.4m and bank borrowings of £20m. The ratio of total borrowings to net shareholders' funds is 2.5. During the last nine months of 1980 turnover was running at an annual rate of over £70m, which is double the level of three years ago, but profitability has failed to increase by a similar rate.

First Chicago claims that the £25m refinancing is the first syndication arranged by a U.S. bank for a UK finance house. Cattles' traditional UK bankers are Midland Bank, Northern Bank, Royal Bank of Scotland and Williams and Glyn's. With the exception of Northern Bank, which is not named in the syndicate, the UK banks have been joined by three U.S. banks, First National Bank of Chicago, Security Pacic and Marine Midland; two UK merchant banks—Kleinwort Benson and AP Bank; and the Australia and New Zealand Banking Group. Cattles shares closed unchanged at 29½p yesterday.

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1980-81 High	1980-81 Low	Company	Last price	Change	Gross div. (p)	Yield %	P/E Actual	P/E Fully taxed
76	39	Airsprung	70	—	4.7	6.7	11.1	15.4
52	21	Armitage and Rhodes	48	—	1.4	2.9	18.8	45.7
200	92½	Bardon Hill	200	—	9.7	4.9	7.5	12.8
104	88	Deborah Services	104	—	5.5	5.3	5.1	9.8
126	88	Frank Horsell	104	—	6.4	6.2	3.3	6.0
110	39	Frederick Parker	62	—	1.7	2.7	27.0	—
110	64	George Blair	64	—	3.1	4.8	—	—
110	59	Jackson Group	104xd	—	7.0	6.7	3.3	7.4
129	103	James Burrough	129	—	7.9	6.1	10.8	10.6
334	244	Robert Jenkins	316	—	31.3	9.9	—	—
55	50	Scruttons "A"	55	—	5.3	9.6	8.5	7.9
224	196	Torday	197xd	—	15.1	7.7	7.8	13.0
23	8	Twinlock Ord.	15	—	—	—	—	—
90	68	Twinlock 15% ULS	80	—	15.0	18.8	—	—
56	35	Unilock Holdings	42	—	3.0	7.1	6.5	10.2
103	81	Walter Alexander	102	—	5.7	5.6	5.6	9.0
263	181	W. S. Yeates	255	—	13.1	5.1	4.8	9.8

£4.4m downturn at H. Samuel

FOLLOWING a £400,000 decline to £2.82m at midway, taxable profits of H. Samuel, multiple retail jeweller, fell faster in the second half, dropping by £4m to £7.72m and leaving the surplus for the full year at £10.54 against £14.94m.

Turnover was also reduced, from £73.36m to £68.52m.

Earnings per 25p share are shown down from 18.2p to 14.04p after tax of £3.24m (£5.5m), but the dividend total is maintained at 6.25p net with a final of 4.75p.

Extraordinary credits of £286,000 (£650,000) leave the attributable surplus at £7.58m, compared with £10.09m.

The directors say the group is in a very strong position and in addition to five new branches already planned, is seeking to *acquire established retail businesses* which could be merged into its operation. They are confident the growth pattern will continue when the UK begins to move out of the present recession.

The CCA pre-tax profit for the year is £4.07m after charges including a cost of sales adjustment of £6.1m, the magnitude of which, the directors say, results from the slow stock turn traditional in the jewellery business.

In contrast, they say, stock at January 31 last, which *had an* historic book value of £27.56m, had a current cost value of £34.03m, and the implied surplus of £6.46m is not reflected in the current cost accounts.

• comment

H. Samuel's 30 per cent slide in pre-tax profits reflects a sharp decline in second half sales and lower margins in the face of higher costs. Christmas sales were flat and Watches of Switzerland suffered from the lack of tourist trade. Over the year wages rose by £1.5m and rates by £¼m. Staff numbers have been cut by about 10 per cent and advertising in the first half of this year will be cutback. The £286,000 extraordinary item *is the net profit after property* sales minus the goodwill written off after the acquisition of Coopers. Sales are now said to be running at about the same level as last year despite quite a sharp fall in the official figures for jewellery sales. The balance sheet has been further strengthened with net assets £1.5m higher than a year ago. An unchanged final, covered more than twice on an historic basis, the shares at 154p yield 6 per cent.

Half-time loss for Utd. Spring: interim omitted

SALES OF the *United Spring* and Steel Group fell from £15.12m to £9.79m in the half year to end-March, 1981 and the company plunged into the red, incurring a pre-tax loss of £179,000, compared with a profit of £1.03m.

In his last annual statement Mr David Westwood, the chairman, warned that prospects of achieving profits of any appreciable figure in the first six months were remote.

In view of the loss, together *with an extraordinary debit of* £70,000 (nil) which included redundancy and closure costs of Dienst Engineering, the directors have decided to omit the interim (0.94p net)—last year a final of 1.1075p was paid when pre-tax profits totalled £1.34m.

Mr Westwood says the outlook for the remainder of the current year "shows little, if any, signs of improvement." This situation, he warns, must be reflected in *the final results.*

After extraordinary expenditure and a tax credit of £30,000 (£476,000 charge) the net loss came through at £219,000 (£553,000 profit).

There was a stated loss per 10p share for the half year of 1.62p, compared with earnings £14.94m.

Commenting on the results Mr Westwood says that although the steel division's profits were down on last year, it performed better than was originaly anticipated.

However, the spring sector, with a heavy reliance on the motor industry, was badly affected—the better results from other companies in the division not compensating for the losses incurred.

Action is continuing to be taken to eliminate the losses and to adjust the division's manufacturing capacity to match the requirements of the market, the chairman adds.

Perry lower so far

Profits of Harold Perry Motors in the current year were running at below the 1980 level, Mr J. F. MacGregor, chairman, told shareholders at the annual meeting.

The higher-than forecast number of new cars sold in the UK in the past two months was the only basis for hopes that the *second half* would see some recovery in demand, he added. In general, new car business was providing healthier profit margins although sales volume was down on last year.

Commercial vehicle sales and *service were badly depressed by* the retrenchment of commercial and industrial customers.

Yearlings total £7.5m

Yearling bonds totalling £7.5m at 13¾ per cent redeemable on June 16 1982 have been issued this week by the following local authorities:

Dudley Metropolitan BC (£0.5m); Ashfield DC (£0.5m); East Staffordshire DC (£0.5m); Mole Valley DC (£0.25m); Lambeth (London Borough of) (£1m); Angus DC (£0.5m); Darlington BC (£0.5m); Grampian Regional Council (£1m); Ashford BC (£0.5m); Enfield (London Borough of) (£1m); Trafford BC (£0.5m); Cleethorpes BC (£0.5m); South Bedfordshire DC (£0.25m).

Sedgemoor DC has issued £0.5m of 14¾ per cent bonds redeemable on June 4 1986.

Trident Computer into USM with £0.34m placing

BY ALAN FRIEDMAN

Trident Computer Services, a company which provides computer maintenance staff on a contract basis, is to enter the Unlisted Securities Market with a placing of 375,000 ordinary 10p shares at 90p each. The placing will raise £337,500 and represents 15 per cent of the capital of the company.

Trident was formed in 1971 by Mr Michael Bull, now joint managing director. The company started trading in 1973 as a Birmingham-based computer maintenance and reconditioning business. Group sales for 1976 were £290,000 with a pre-tax profit of £12,000. For the year to July 30 1980 Trident made a pre-tax profit of £296,000 on sales of £2.3m.

The provision of computer staff currently generates 85 per cent of group turnover and profits. Other activities include a permanent staff recruitment consultancy and the provision of advice on mini and micro computer systems and associated software.

Mr. John O'Sullivan, chairman and joint managing director of Trident, yesterday explained the reasons for the USM placing: "We are thinking about making acquisitions and a quote on the Stock Exchange means we can pay for acquisitions with paper."

Secondly, the directors were being given an opportunity to "get some money out of the company," Mr O'Sullivan said. All of the money raised through the placing will go to the directors, who previously owned the capital of Trident.

The issue expenses are expected to total £51,000, which will be paid from the company's funds. The placing has been made by Laurence Prust, the company's stockbroker. The issue has been arranged by Singer and Friedlander, the merchant bank.

The company is forecasting a pre-tax profit of £310,000 for the year to July 31, including interest receivable of £60,000. Based on this forecast, the directors intend to recommend a dividend for the year of 1p per share, payable next January.

Trident does not have any borrowings and its balance sheet as at January 31 shows bank balances of £509,000.

According to the company's broker, the shares have been placed mainly with individual investors, although two institutions have also bought shares. The average shareholding is about £2,000.

Elson and Robbins moves into the red

THE NOTTINGHAM-BASED seating spring and vinyl foam manufacturer **Elson and Robbins** made a pre-tax loss for the six months to the end of March 1981 of £589,201, compared with a profit of £1.12m.

This loss follows the closure of subsidiary Thos K. Webster (UK), which has now been completed and involved a non-recurring loss.

Turnover was halved from last year's midway of £12.27m to £6.12m. Tax was £17,259, com*pared to £450,898.*

The attributable loss was £1.29m (£663,026 profit) after a minority interest of £7,399 (£9,951) and closure losses of £681,003 (nil). The loss per 25p share before the extraordinary item is stated at £6.22p (6.68p *earnings*).

No interim *will be paid*; last year's was 1.509p.

The chairman says that the seasonal nature of the company's business, together with current economic conditions, make it *extremely difficult to forecast for* the rest of the year.

"However, indications are that the company has now come through the most difficult trading period. Total borrowings remain at a level slightly below those at the end of the last financial year, and the company aims to achieve a material reduction in borrowings by next March."

The chairman says that the company will examine dividend proposals at the end of the year.

N. Goldsmiths tumblesto£0.38m

PRE-TAX profit of Northern *Goldsmiths, retail jeweller, book*maker and finance company, fell from £648,330 to £382,725 in the year ended February 28 1981, on increased turnover of £16m compared with £13.2m.

The final dividend is increased to 2.66p net (2.4p) per 25p share making a total of 3.51p (3.25p).

The directors say trading in the jewellery division was very difficult throughout the year resulting in turnover being down by 2.8 per cent and profit by 60 per cent.

The company has had an extremely active year implementing a reorganisation programme. This is already showing some success they say, particularly in the reduction of running costs over which the company has no *control and by having to cut its* prices in some areas to compete in high streets.

Turnover *for the* bookmaking division increased by 23 per cent over the previous 12 months. Gross profit performance was slightly less favourable. In spite of an increase in productivity, only a marginal increase in pre-tax profit was achieved which was due to less favourable racing results in the second half of the year.

Looking to the current year they say sales are still hard to come by and are likely to remain so until the public is convinced the recession is over.

Profit before tax was struck after interest charges of £103,523 (£45,506) and tax took £103,685 (£142,518). The attributable profit emerged at £277,035 (£502,115), while current cost adjustments reduced the pre-tax profit to £18,000.

TODAY'S COMPANY MEETINGS

Atlas Elec. and Gen. Tst., Mermaid House, 2, Puddle Dock, EC.
Black and Edgington, 103, New Oxford Street, WC, 12.00.
Blantyre Tea, Plantation House, 10-15, Mincing Lane, EC, 12.30.
Camrex, Seaburn Hotel, Sunderland, Tyne and Wear, 12.00.
Central and Sheerwood, Hyde Park Hotel, Knightsbridge, SW, 12.00.
Croda Intnl., Park Works, Park Lane, Harefield, Middx., 11.15.
East Rand Consd., 25-35, City Road, EC, 12.00.
Heal and Son, 196, Tottenham Court Road, W, 3.00.
Hestair, Hyde Park Hotel, Knights*bridge*, SW, 12.00.
Hewden Stuart Plant, 135, Buchanan Street, Glasgow, 12.00.
Higgs and Hill, Waldorf Hotel, Aldwych, WC, 12.15.
King and Shaxson, 52, Cornhill, EC, 12.00.
Lovell (G. F.), 6, Albemarle Street, W, 12.00.
Owen Owen, Clayton Square, Liverpool, 11.30.
Peninsular and Oriental Steam Navigation, Baltic Exchange, 14-20, St. Mary Axe, EC, 12.00.
Rowan and Boden, Central Hotel, Gordon Street, Glasgow, 10.30.
Rush and Tompkins, Charing Cross Hotel, WC, 2.30.
Smith (W. H.) and Son, 76, Shoe Lane, EC, 11.30.
Stephen (Alexander), Linthouse, Govan, Glasgow, 12.30.
Ward White, Hilton Hotel, Park Lane, W, 12.00.
Wire and Plastic Products, Southcliff Hotel, The Leas, Folkestone, 3.00.

EUROPEAN OPTIONS EXCHANGE

Series		Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	Stock
GOLD C	$450	—	—	—	—	3	78	$466.50
GOLD C	$475	2	22.50	—	—	5	60	"
GOLD C	$500	60	19	5	31	16	46	"
GOLD C	$525	1	10	2	21	—	—	"
GOLD C	$550	25	5	10	16	—	—	"
GOLD P	$450	109	9	1	11	—	—	"
GOLD P	$500	1	32	—	—	2	41	"
		July		Oct.		Jan.		
ABN C	F.300	—	—	10	5.50	—	—	F.280
AKZO C	F.20	149	5.50	51	6.20	—	—	F.25.10
AKZO C	F.22.50	267	3	56	4	—	—	"
AKZO C	F.25	385	1.20	82	2.70	114	3.50	"
AKZO P	F.20	—	—	30	0.30	—	—	"
AKZO P	F.25	30	0.80	60	1.10	—	—	"
HOOG C	F.17.50	6	0.80	8	2.50	—	—	F.17.70
HOOG C	F.20	—	—	61	1.20 B	10	1.90	"
IBM C	$60	12	1⅝ A	—	—	—	—	$57¼
KLM C	F.80	7	54.50	—	—	—	—	F.133
KLM C	F.100	20	33.50	—	—	—	—	"
KLM C	F.110	9	24	—	—	—	—	"
KLM C	F.120	40	17.50 B	—	—	—	—	"
KLM C	F.130	125	12	23	18 A	—	—	"
KLM C	F.140	280	6.50	14	13 A	—	—	"
KLM C	F.150	412	3.10	20	8.90	—	—	"
KLM P	F.90	—	—	55	1.50	—	—	"
KLM P	F.100	37	0.60	32	3.40	—	—	"
KLM P	F.110	153	1.30 B	17	5.40	—	—	"
KLM P	F.120	882	4	—	—	—	—	"
KLM P	F.130	59	6	33	15.50	—	—	"
KLM P	F.140	44	13.80	6	20	—	—	"
NATN C	F.110	—	—	—	—	10	9.20	F.110.80
NATN C	F.125	—	—	15	1.90	—	—	"
NATN C	F.130	—	—	15	1.20	—	—	"
NATN P	F.110	—	—	11	3	—	—	"
PHIL C	F.17.50	—	—	7	7	—	—	F.24.10
PHIL C	F.20	55	4.30	146	5.30	57	5.60	"
PHIL C	F.22.50	86	2	201	2.80	28	4	"
PHIL C	F.25	182	1	234	1.90	161	2.80	"
PHIL C	F.27.50	26	0.30	438	1	227	1.70	"
PHIL P	F.22.50	—	—	13	0.60	—	—	"
PHIL P	F.25	—	—	11	1.50	20	1.90	"
RD C	F.80	—	—	10	8.40	—	—	F.83.10
RD C	F.90	121	1.70	15	3.60	—	—	"
RD C	F.95	175	0.50	—	—	—	—	"
RD C	F.100	14	0.20	10	1.50	—	—	"
RD P	F.80	22	1.80	8	4	—	—	"
RD P	F.90	75	7.20	52	10	26	10	"
RD P	F.95	20	11.60	—	—	—	—	"
RD P	F.100	—	—	—	—	21	19.50	"
		Aug.		Nov.		Feb.		
MANN C	DM.140	30	7	—	—	—	—	DM145.80

TOTAL VOLUME IN CONTRACTS 6458

A=Asked B=Bid C=Call P=Put

Allianz has no plans to buy more Eagle Star

Allianz Versicherungs, the largest insurance group in West Germany, said yesterday that it did not intend to purchase further share in Eagle Star Holdings, the UK insurer, following its build-up of a 28 per cent stake in deals worth £110m.

Eagle Star is still openly hostile to Allianz's purchase of a substantial share stake in the group. It said yesterday that the board continues to be opposed to the acquisition by Allianz of a significant shareholding in the company. Accordingly, it is proposing to make its views known to the appropriate regulatory authorities in London, Berlin and Brussels.

"We will be seeking their views on what has happened." said Mr Antony Ratcliffe, chief general manager of Eagle Star. The Office of Fair Trading in London is expected to examine the position and will advise the Secretary of State at the Department of Trade on whether a monopolies and mergers commission reference is necessary. Mr. sion reference is necessary. Mr Ratcliffe said the Allianz moves were "on the way to creating a monopoly situation."

Eagle Star is contacting the cartel office in Berlin and the EEC in Brussels expressing its concern over the Allianz share stake. "We are under an obligation to notify them formally on the acquisition by Allianz of its shareholding," said Mr Ratcliffe. "Our main concern is to ensure that we are in a situation where our commercial independence cannot be influenced by a minority shareholder.

"If they do feel it is a worrying situation there are a number of things they can do to neutralise it." He said no furthere meetings had been held with Allianz.

"If Allianz come to us with proposals that are in the best interests of all shareholders then the board will study them carefully. But we cannot favour one shareholder at the expense of another. At this stage we are still trying to assess the situation."

Allianz said yesterday that it believed it had successfully achieved its "immediate objective of developing a closer shareholding link with Eagle Star." Allianz added: "There should be considerable opportunity over the course of the coming months to stimulate active discussions in which our plans for closer cooperation between the two groups in the insurance and investment fields can be fully considered."

Allianz acquired through a tender offer a further 17,833,615 ordinary shares in Eagle Star in a deal worth £51.7m on Tuesday. After the "dawn raid" of last week, which gave Allianz a 14.9 per cent stake in the British company, it now holds a total of 38,248,615 shares representing 28.1 per cent of the equity.

Under its tender offer deal Allianz paid a maximum price of 290p per share, which Eagle Star had described as "daylight robbery."

Eagle Star was equally cool towards its German minority shareholder after the deal. The group issued a statement which assured "its business friends and connections that its commercial independence will not be influenced in any way by this minority shareholding."

Eagle Star's share listing was restored yesterday. The shares had been suspended ahead of the results of Allianz's tender offer on Tuesday. At the close of yesterday's trading they were down 1p to 282p.

It was confirmed yesterday that one of the major sellers to the German group at the time of the dawn raid over a week ago was the Kuwait Investment Office. A statement from the Kuwait Investment Office said that it had sold 7.1m shares bringing its Eagle Star stake down to below 5 per cent.

News Int. may settle for largest stake in Collins

Mr Rupert Murdoch, chairman of News International, appears to have accepted the possibility that his £22.75m bid for William Collins, the Glasgow-based publishing group, may not succeed.

In the formal offer sent to shareholders yesterday Mr Murdoch says that the Collins share prices above the value of the offers "we recognise that . . . we may well not receive sufficient acceptances for the offers to become unconditional."

"In that event," he goes on, "News would be your company's largest shareholder, an outcome with which we could be content."

The bid, which has revealed a split in the Collins family, was made in a surprise move on May 13 after News had already purchased a 30 per cent voting stake in the company from trusts of the chairman, Mr Jan Collins, and his family. Mr Collins resigned from the board when the bid was announced at the AGM. His younger brother Mr Mark Collins remains on the board.

By the end of the day the bid was made the price of the Collins ordinary shares had risen by 38p to 213p, compared with 200p offered by News. Since then the share have stayed above the bid price, preventing News (under takeover code rules) from buying shares in the market. The ordinary shares closed unchanged at 253p yesterday with the non-voting "A" at 155p—5p over the bid price.

Mr Ian Chapman, the new chairman of Collins, said last month, "Your board did not seek this takeover bid" and he advised shareholders to take no action. Mr Chapman said he had received the strongest encouragement from employees, authors and customers to have the company remain independent.

On the day of the bid Mr Robert Maxwell, the head of Pergamon Press, raised his stake in Collins from 8 to 10 per cent through purchases in the market. He is understood to be much opposed to the News bid.

Mr Murdoch says in the formal offer that some time before the bid announcement, News became aware that Mr Jan Collins and certain members of the Collins Nfamily were interested in finding someone who would be prepared to become a shareholder in Collins "and who would share their concern with maintaining the Collins ethos and standards. We at News were acceptable to them in that context."

News group publishes the News of the World and the Sun newspaper and recently acquired the Times and Sunday Times. Collins publications include the Bible, Fontana paperbacks and such hardback bestsellers as Life on Earth.

Mr Murdoch points out that before the Collins family shares were purchased and the offer announced, the market price of the Collins shares was substantially lower than the prices News paid. He says that the prices paid for the shares represented fair value.

He adds that the major factor behind the acquisition of an interest in Collins is the mutual benefits that he believes can accrue from the association of the News group's newspapers with an eminent book publishing group. He also refers to the "potential assistance" News would be able to offer Collins' management from its experience in the communications industry.

The first closing date of the offer is July 2.

Treasury examines forecasting errors

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE TREASURY'S forecasts of the economy have seldom been precisely accurate but the variation has usually been within the previously stated margin of error.

The Treasury has candidly examined its own forecasting record, particularly over the 1976-79 period, in the latest issue of its Economic Progress Report.

The article describes how the forecasts are prepared and looks at the differences between projections and oufturns after adjusting for hte impact of policy changes.

The Treasury concludes that the errors show some tendency to get bigger the further ahead the forecast looks.

Moreover, there is no very clear evidence of bias, though there is some tendency to overstate the growth of exports, to understate the growth of consumer spending and, when forecasting 12 months or more ahead, to underestimate the rise in prices.

The published forecasts have always been accompanied by indications of forecasting errors (based on the average errors in previous forecasts), as required under the Industry Act.

The article points out that there is no presumption that the average size of the errors will remain constant. The experience of the 1970s, with larger fluctuations in output and inflation, is that forecasting errors have been larger than in the 1960s.

The Treasury notes that "it has become recognised, perhaps belatedly, that no forecast is complete without its margin of error."

Research is also being aimed at "the company sector and its reaction to actual or potential financial difficulties, an area which is treated inadequately in many models."

LONDON TRADED OPTIONS

June 10 Total Contracts 931; Calls 817, Puts 114

Option	Ex'rcise price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP (c)	360	14	41	28	8	44	—	358p
BP (c)	390	4½	34	15	4	25	4	"
BP (c)	420	3	2	8	6	18	—	"
BP (p)	360	13	52	22	10	26	29	358p
BP (p)	420	62	7	64	—	64	—	"
Com. U'n (c)	150	16	32	21	—	26	—	167p
Com. U'n (c)	180	6	1	12	8	16	—	"
Cons. Gld (c)	460	38	1	55	—	65	—	478p
Cons. Gld (c)	550	4	—	14	1	28	—	"
Court'lds (c)	60	6½	—	11	1	15	—	64p
Court'lds (c)	70	2	10	6	2	8	—	"
Court'lds (c)	80	1	—	2½	10	4	—	"
GEC (c)	700	16	4	45	—	68	—	683p
Gr'd Met. (c)	180	28	—	31	6	39	—	205p
Gr'd Met. (c)	200	10	75	19	2	27	—	"
Gr'd Met. (c)	220	2½	—	10	100	17	10	"
ICI (c)	260	18	37	32	10	—	—	276p
ICI (c)	280	7	35	19	15	28	6	"
ICI (c)	300	4	5	11	10	18	6	"
ICI (c)	330	1	1	5	—	10	1	"
Land Sec. (c)	360	30	3	46	—	—	—	380p
Land Sec. (c)	390	10	1	26	—	33	—	"
Mks & Sp (c)	130	3	3	10½	—	15½	5	134p
Mks & Sp (c)	140	1	7	6	—	8	1	"
Shell (c)	330	13	1	22	—	32	1	348p
Shell (c)	360	5	—	13	1	20	—	"
Shell (c)	420	4	—	8	1	15	—	"
		August		November		February		
Barclays (c)	420	15	15	23	5	35	—	410p
Imperial (c)	70	4	5	6	—	9	—	70p
Lasmo (c)	500	55	—	80	1	100	—	527p
Lasmo (c)	550	30	1	64	5	75	—	"
Lasmo (c)	600	17	—	32	6	52	3	"
Lasmo (c)	650	10	2	20	—	—	—	"
Lasmo (c)	700	5	1	10	2	—	—	"
Lonrho (c)	90	8½	—	12½	—	15½	2	93p
Lonrho (c)	100	4	2	6	1	10	—	"
Lonrho (p)	90	4	—	5½	—	8½	5	"
P&O (c)	110	25½	5	—	—	—	—	135p
P&O (c)	130	10	1	15½	—	19	—	"
P&O (c)	140	5	2	10	1	12½	—	"
P&O (c)	160	2	198	4	—	—	—	"
Racal (c)	330	40	1	68	—	—	—	365p
Racal (c)	360	20	4	38	—	51	—	"
Racal (c)	390	10	15	23	—	35	—	"
Racal (p)	360	17	10	21	—	24	1	"
RTZ (c)	460	75	—	88	10	—	—	505p
RTZ (c)	500	37	16	57	8	75	—	"

C=Call P=Put

Valor buys meter repair specialist for £0.56m

IN THE first of several planned expansion moves, Valor, the gas appliance manufacturer, has paid £560,000 for Wilson Industries, a gas meter repair and conversion concern.

Wilson, whose main customer is the British Gas Corporation, employs 80 people, mainly on meter repairs, and is preparing a conversion in anticipation of the introduction of the £1 coin in 1983.

The company occupies an 18,000 square foot factory on a 29,000 square foot freehold site in the West Midlands.

AIDS ACQUISITION

AIDS (Accounting Information Development Service) has acquired Computerised Payroll Services.

Mr Mike Salinger, managing director of AIDS, said the company would be looking to acquire other businesses—in particular, small computer bureaux and accounting services companies.

ESPLEY-TYAS

Shareholders in Espley-Tyas Property Group has approved the acquisition of a further 20 per cent of the shares of Espley-Manston which takes the group's stake up to 71 per cent.

ASSOCIATE DEAL

ROWE AND PITMAN, associate of the British Sugar Corporation, has bought for an associate 50,000 shares at 316p. J. Henry Schroder Wagg and Co., which is advising British Sugar, has bought 50,000 British Sugar shares at 316p on behalf of itself.

THF BUYS MORE SAVOY SHARES

Trusthouse Forte purchased more Savoy Hotel shares in the market on Tuesday. As brokers to THF, W. Greenwell and Co., confirmed that 50,000 "A" ordinary shares had been acquired at 190p and 100 "B" shares at £11.22½. This follows the purchase of 118,000 "A" shares on Monday. The Savoy "A" shares closed unchanged at 191p yesterday after being steady at that price all day while the "B" gained ½ to £11⅜. The offer closes on June 19.

DARES ESTATES

Dares Estates has completed the contract for the acquisition of 0.36 acres of land at Washway Road, Sale, Greater Manchester, with planning permission for office development. The total consideration for this acquisition is £125,000 which was satisfied by the issue of 544,965 ordinary shares of Dares.

Vaux to acquire U.S. brewer

Vaux Breweries, the Sunderland-based brewery group with interests in bottling, wholesaling, retailing and hotel operations, is to acquire Fred Koch Brewery Inc., a small New York-based brewing company, for a consideration of $1.4m (£718,000).

Mr Paul Nicholson, chairman of Vaux, yesterday said that his company had been exporting to the U.S. for the past two years and had concluded that the prospects for a small brewery, such as Koch, in that country were good. Vaux said the Koch brewery is about the same size as its existing S. H. Ward plant in Sheffield.

Vaux added that further acquisitions in the U.S. were possible, though it would probably take some time to incorporate this acquisition. Koch is operating profitably at present, the company said.

SHARE STAKES

Globe Invest Trust—National Coal Board Pension Funds have bought 3.5m shares making holding 17.5 per cent.

Padang Senang Rubber—Wan Hin Investments Sdn Berbad has increased holdings to 496,500 shares.

Ruo Estates—Eastern Produce (Holdings) has acquired 108,771 shares (8.02 per cent) and now holds 691,691 (51 per cent).

Lawrie Plantations Holdings has acquired 38,564 shares (2.84 per cent) and now holds 105,064 (7.75 per cent).

British Electric Traction—Hugh Dundas, director, has disposed of 13,600 deferred ordinary shares at 136p.

Moben Group—London Trust holds 6.4 per cent of shares.

Lowland Drapery—St Vincent Trust has sold its entire holding of 120,000 ordinary shares.

Reliant Motor—Sinjul nominees no longer holds 5 per cent or more of the ordinary capital.

TSB Gilt Fund—Midland Bank Trust Corporation (Jersey) (700316 account) holds 5.5m shares (17.66 per cent).

PROTECH PURCHASE

Protech has acquired certain of the assets of Racal-BPL for an undisclosed sum.

A new subsidiary, Protech-BPL, will be formed to continue the design, manufacture, distribution and sales of the bulk of the BPL range of meters and indicators as well as providing warranty support for BPL's products. The new company will transfer the operations of BPL from its existing factory in Radlett, Herts to Luton Beds.

Commenting on the agreement, Arthur Mead, a director of Protech Instruments and Systems said. "This agreement gives us a broader base in the OEM industry to augment our instrument and computer systems capability. It is our intention to expand Protech-BPL within the scientific instrument industry."

GLANFIELD STARTS NEW DEALERSHIP

Glanfield Lawrence has purchased from the receiver of J. Davy (Gravesend) freehold and leasehold land and buildings situated in Pelham Road, Gravesend, with certain items of plant, furniture, fixtures and fittings. Total consideration for these assets was £285,000 cash.

Subsequently Glanfield has negotiated with Ford Motor a main dealer agreement in the name of its subsidiary company, Glanfield Lawrence (Gravesend), under which it will have the exclusive Ford dealership rights for the Gravesend area.

Trading will begin on August 8. Glanfield believes this operation can contribute substantially to the group's profitability.

Wolverhampton Steam price rise mystery

Mr John Nash, chairman of Wolverhampton Steam Laundries, said yesterday that he knew of no reason for the recent strength of his company's share price, which now stands at its year's high of 49p. Although the company was in the middle of a rationalisation programme, the recent rise was "out of all proportion," he said.

The company said it expected its preliminary results for the year ended March 31 to be published towards the end of June. Mr Nash said he had nothing to add to his interim statement, when he anticipated a profit for the year and a maintained dividend of around 0.5p net a share.

HADEN CARRIER

Haden Carrier is chainging its name to Haden Limited. An appropriate resolution was approved by shareholders at the company's annual meeting.

Guthrie BHD share trading resumes

Trading in the shares of Guthrie BHD, the Singapore-based holding company with interests in property, communications, engineering and chemicals, resumed on the Singapore Stock Exchange yesterday.

Guthrie BHD was the 73 per cent-owned subsidiary of the British Guthrie Corporation, a holding company with interests in rubber, rubber-related products and diversified industrial manufacture.

The shares were suspended earlier this week when Guthrie Corporation said it would sell its stake in the company to Multi Purpose Holdings BHD of Singapore, for $4.174 (£99.6p) in cash per share.

The shares resumed trading at $4.40 a share, having been suspended at $4.24. Multi Purpose is to make a bid for the outstanding shares in Guthrie BHD at $4.175 a share.

Bass Limited

Interim Statement

For 28 weeks ended 11th April, 1981

	28 weeks to 11.4.81	28 weeks to 12.4.80	Year to 30.9.80
	£ millions	£ millions	£ millions
Sales to customers (Note 1 & 2(a))	840.6	662.8	1,262.8
Net revenue:—			
Bass activities	89.0	75.1	162.2
Former Coral activities (Note 2(b))	(3.2)	—	—
	85.8	75.1	162.2
Surplus on disposal of Fixed Assets and Investments	0.9	3.2	7.3
Less Depreciation	(24.6)	(19.6)	(37.0)
Trading Profit	62.1	58.7	132.5
Cost of Borrowing	11.0	8.6	19.0
Profit before taxation	51.1	50.1	113.5
United Kingdom and Overseas taxation (Note 4)	14.0	16.2	36.6
Profit after taxation	37.1	33.9	76.9
Attributable to outside shareholders	0.5	0.4	0.7
Preference Dividends	0.2	0.2	0.3
Earnings available for ordinary shareholders	36.4	33.3	75.9
Ordinary dividends paid and proposed	8.1	6.4	24.0
	28.3	26.9	51.9
Ordinary dividends paid and proposed—p/share	2.53p	2.3p	8.6p
Earnings per ordinary share (Note 6)	12.1p	11.9p	27.2p

NOTES:

1. Sales by volume were below expectation reflecting the serious effect of the economic recession and consequent pressure on consumer spending.
2. *Coral Acquisition*
   (a) The sales attributable to Coral for the period 2nd January, 1981 to 11th April, 1981 were £70.6m.
   (b) The loss from former Coral trading activities during the period 2nd January, 1981 to 11th April, 1981 is attributable to the seasonal nature of these activities.
   (c) It is not intended to publish Coral consolidated accounts for 1980 as this would have meant deferring integration and the cost of this delay could not be justified. Since acquisition the main Coral activities other than racing and holidays have been integrated with existing management companies of Bass.
3. A provision of £1.9m (1980: £1.9m) for the Bass Employee Share Ownership Scheme has been made against the net revenue from Bass activities.
4. Taxation has been provided at 27.5% (1980: adjusted to 32.5%) of profits before taxation.
5. An interim dividend of 2.53p per share (2.3p) on the ordinary shares will be paid on 24th July, 1981.
6. Earnings per ordinary share are calculated by dividing the earnings available for ordinary shareholders £36.4m (£33.3m) by 300.6m (279.4m) being the average number of ordinary shares of 25p in issue during the period. The number of shares ranking for dividend is 320.1m.
7. During the 28 week period ended 11th April, 1981 capital expenditure was £61.6m (1980: £54.8m).
8. The above figures have not been audited.

£8m water stock issue by tender

Mid Southern Water Company is offering £8m of redeemable preference stock for sale by tender.

The stock carries a coupon of 9 per cent, and the minimum tender price of £100 produces a conventional gross flat and redemption yield of 12.85 per cent. The fully grossed-up yield available to those liable for corporation tax is 18.75 per cent.

The stock is redeemable at par on June 30, 1986. It is denominated in multiples of £100, and applications, accompanied by a deposit of £10 per £100 nominal must be received before 11 am on June 17 1981.

The first dividend, amounting to £4.347 net, will be payable on January 2, 1982, and dividends will thereafter be paid half-yearly on July 1 and January 2 in each year.

Brokers to the issue are Seymour, Pierce and Co.

● comment

The upward shifts in world interest rates over the last few weeks have made it difficult to price recent water issues. All but 2 per cent of the Sunderland issue two weeks ago was left with the underwriters, and the Newcastle issue two weeks before that gained only 13 per cent acceptance. Both are trading at significant discounts to the tender price. The present Mid Southern stock is issued at par, with a coupon pitched a full point higher than Sunderland. Since gilt-edged have firmed in the past day or two, this issue should go better than the last two. The redemption yield on Treasury 12 per cent 1986 was yesterday nearly 4½ points below the franked investment yield on this issue, which ought to be a big enough differential to attract corporate lenders. But the gilt-edged market nowadays can move a long way in the week before tenders are due.

Order position at Norvic still uncomfortably low

THE current level of orders at Norvic Securities is still uncomfortably low, says Mr C. L. Metcalfe, chairman, in his annual statement. However, in view of drastic cut backs in production capacity, orders are now sufficient to enable a return to full-time working, and providing this can continue with the right sales mix he reiterates his forecast that the company should return to profit in the second half of this year.

Nevertheless, he still expects there to be a loss of some £400,000 in the first half which is not likely to be reduced substantially in the second six months.

As reported on May 15, this Norwich-based shoe manufacturer suffered a turnround from a profit of £143,909 to a loss of £1.82m for 1980, with some £1.28m of the deficit falling in the second half.

Planned stock reductions which were supposed to have reduced bank borrowings, as well as financing extraordinary expenses, went instead in supporting an ever rising level of trading losses.

Consequently, the company ran into severe cash flow problems early in the current year and was finally rescued by an additional facility of £750,000 from its bankers. The balance sheet at December 31, 1980 shows secured bank overdrafts at £2.95m (£686,441). This puts borrowings, including convertible unsecured loan stock of £600,000, at more than double shareholders' funds of £1.74m (£3.49m).

The company's bankers were reluctant to put up extra funds and at present, while the company is working within its current facilities, it remains dependent upon their support.

For the immediate future the main goal, says Mr Metcalfe, has to be one of survival. On the assumption that the company can overcome its present problems he says the future looks promising.

All operatives and staff have accepted a year's pay freeze and together with drastic reorganisations this has meant that the company is now highly competitive in the market place. Anything remotely approaching a normal level of business will mean the company can turn in very good operating profits, the chairman states.

The auditors have qualified the accounts inasmuch as the group's activities are dependent upon adequate finance continuing to be made available. On the assumption that present financial support will be continued, the accounts have been prepared on a going concern basis.

A statement of source and application of funds shows a £2.75m (£69,206) decrease in net liquid funds.

On a current cost basis the loss before tax for 1980 is shown at £2.13m. Meeting, Norwich, on July 2, at 3 pm.

Slack start for Pearl Assurance

DURING THE first four months of 1981 industrial branch new business had been slack and the amount of new business written had risen by only a small amount over the corresponding months of last year, Mr F. L. Garner, the chairman of Pearl Assurance told the annual general meeting.

He said ordinary branch new business for the period had been lower, partly because of the absence of any major advertising campaign. The chairman pointed out, however, that a campaign was started at the beginning of May which had resulted in a record number of policies in the first week. Sales were continuing at a higher level than previously, he added.

Turning to the general branch the chairman said first quarter results were not dissimilar from last year. Premium income had improved by 17 per cent—although this level was not expected to be maintained over the full year as the market was getting increasingly competitive. The first quarter produced a trading loss, as is quite usual, the chairman explained.

Property, the largest account, although making an underwriting loss, showed considerable improvement over 1980 but motor business deteriorated, Mr Garner said. The underlying claims experience was roughly in line with the previous year but the chairman said it had been felt necessary to increase the provisions previously made against some large liability claims outstanding from previous years and this has had an adverse effect on the results.

Concluding, Mr Garner said that rate increases and other remedial measures continue to be applied with a view to improving results—adding that first quarter results should not be taken as a guide to the outcome for the year.

Profit slips to £3.3m at Barlow

TAXABLE PROFITS of plantation owner Barlow Holdings for the year ended December 31 1980 fell from £3.98 to £3.3m, after the mid-way figure had been up from £1.56m to £1.91m.

Turnover dropped from £7.73m to £7.27m. The attributable profit was £1.46m compared with £1.75m, after minority interest of £74,000 (£33,000) and an extraordinary debit of £51,000 (£58,000 credit). Tax took £1.72m against £2.23m.

The board has announced a final dividend of 2p plus a special dividend of 1p making a total of 4p, up from last year's 3p. These dividends will be paid out of realised profits on the sale of Klabang Rubber estate, Malaysia, which netted £3.64m.

Yorkshire Fine Woollen adds to provisions

Audited pre-tax losses of Yorkshire Fine Woollen Spinners in 1980 amounted to £333,025, and not £291,000, as the company reported in its February preliminary announcement.

Mr. A. Haigh, chairman, explains in the annual report that the variation stems mainly from further provisions for stock and doubtful debts of £31,800. Interest charges are also higher than previously stated, at £242,620 against £214,000.

After a tax credit of £70,091—previously announced as £45,000 — the loss per share is revised from 23.03p to 17.09p.

Mr. Haigh says the group has returned to profitability in the first quarter of the current year, and there are indications that business conditions will improve in the second half.

The year-end balance sheet shows fixed assets of £993,374 (£864,853) and net current liabilities of £278,861 (£188,750 assets). Shareholders' funds stood at £708,717 (£909,725) and amounts due to bankers were up from £632,200 to £915,233.

On a current cost basis, the pre-tax loss is £406,000.

Meeting, Huddersfield, June 30 at noon.

EBC PLACEMENT

London brokers Savory Milln, and Milton Mortimer of Exeter, has completed the placement of 150,000 shares in Exeter Building and Construction Group on behalf of existing shareholders—the bulk of the placement being new 50p shares arising from the recent scrip issue. The placing price was 140p.

The placement represented 15 per cent of the total of the new shares issued in May and 6 per cent of the overall capital. Directors and family holdings still retain firm control of the company's equity.

The group intends to move towards an Unlisted Securities Market introduction "this summer."

RECEIVERS

Mr. Alastair Jones and Mr. Philip Ramsbottom of chartered accountants Peat Marwick Mitchell (Birmingham and Manchester offices respectively) have been appointed joint receivers and managers by the debenture holders of Bank and Horne and Sullivan and Brown.

Both companies are situated in Nelson, Lancashire, and manufacture coloured woven fabrics.

RESULTS AND ACCOUNTS IN BRIEF

LONDON AND NORTHERN GROUP—Results for 1980 reported May 21. Group fixed assets £37.54m (£35.45m). Net current assets £23.87m (£19.39m). Meeting, Essex St, WC, June 24, 3 pm.

PLATIGNUM (writing instruments, plastics)—Results for year to January 31 1981 reported May 7. Group fixed assets £3.51m (£1.76m). Net current assets £646,277 (£1.22m). Shareholders' funds £3.8m £2.59m). CCA pre-tax £661,329 loss £443,991 loss historic). Meeting, Winchester House, EC, July 3 at noon.

JBM GROUP (builders' merchant)—Results for year ended February 28 1981 reported May 29, in preliminary statement with prospects. Group fixed assets £44.33m (£45.9m), net current assets £27.77m (£31.8m), shareholders' funds £64.2m (£63.87m). Chairman's emoluments £53,000 (£42,000). Meeting, Bristol, July 2, noon.

MORE O'FERRALL (outdoor advertising)—Results for 1980 reported May 13. Group fixed assets £2.61m (£2.18m), net current assets £2.18m (£1.25m), shareholders' funds £4.99m (£3.65m). Chairman's emoluments £36,000 (£18,000). Meeting, Brown's Hotel, W, June 30, noon.

MANOR NATIONAL GROUP MOTORS—Results for 1980 reported May 8. Fixed assets £8.9m (£7.92m), net current assets £1.72m (£2.48m), shareholders' funds £7.93m (£7.6m) including revaluation surplus of £1.02m, bank overdrafts £6.65m (£4.25m), cash and balances £1.66m (£0.62m). Meeting, Manchester, July 2 at noon.

BENTALLS (Department stores) — Sales for 17 weeks ended May 30 up 6 per cent, in line with average price increase of goods sold. Chairman said at AGM that for the year much depends on the company's ability to achieve the right level of sales to provide acceptable margin above expense levels.

BROOK ST. BUREAU OF MAYFAIR—Results for 1980 reported April 28 with prospects. Group fixed assets £2.33m (£1.86m), net current assets £2.28m (£2.73m), shareholders' funds £4.22m (£3.31m). Meeting, Europa Hotel, W, July 6 at noon.

LAKE VIEW INVESTMENT TRUST—Results for the year to March 31 1981 already known. Shareholders' funds £83.86m (£57.78m); cash and deposits £1.47m (£933,262). Increase in liquidity £120,000 (£2.01m decrease). Chairman warns that earnings in current year are likely to be lower but company hopes to at least maintain ordinary dividend total at last time's rate of 3.85p. Meeting: Winchester House, EC, June 30, 12.45 pm.

LEE COOPER GROUP (jeans, skirts, trousers)—Results for 1980 reported May 15 with prospects. Group fixed assets £11.08m (£8.77m), shareholders' funds £15.08m (£15.35m), net current assets £9.85m (£11.83m). Chairman's emoluments £84,088 (£126,513). Meeting, Cafe Royal, W, June 25, noon.

BRITISH INVESTMENT TRUST—Results for year ended March 31 1981 reported May 8. Listed UK investments, at market value, £92m (£76.56m); overseas £53.43m (£25.94m); unlisted at directors' valuation £4.85m (£2.07m); short term deposits £7.82m (£3.7m). Freehold and leasehold properties £2.37m (£15.22m). Net current liabilities £3.46m (£0.65m). Borrowings £4.7m (£5.7m). Shareholders' funds £152.31m (£117.13m). Earnings in current year are expected to show some reduction, but board expects to maintain dividend. Black Diamonds Pensions own 83.8 per cent of ordinary capital. Meeting, Edinburgh, July 2, at 12.15 pm.

ARCHIMEDES INVESTMENT TRUST—First interim dividend 3.3p (3p): forecast final of not less than last year's 3.9p. Net revenue for six months to April 30 1981, £46,113 (£40,664) after expenses of £10,103 (£7,908) and tax of £19,762 (£19,780), net asset value per share 150.78p (100.09p).

GARTONS (agricultural seedsman)—Turnover £605,128 (£236,297) for 1980. Loss attributable £29,367 (£54,483 profit), after expenses £144,562 (£95,316), interest £65,557 (£26,291) and extraordinary credits nil (£126,680). Loss per share 1.55p (3.59p loss). Chairman states the reported loss represents what was a very difficult and trying year, but is struck after a change in the accounting policies of the group relating to stocks. Had the previous policy been continued, a profit for the year of about £97,000 would have been recorded.

MINSTER ASSETS (investment holding company). — Results for 1980 reported May 30. Shareholders' funds £24.02m (£22.79m). Fixed assets £743,565 (£680,994). Current assets £15.18m (£14.09m); current liabilities £10.98m (£10.32m). Company's interest in net assets of Minster Insurance group £13.92m (£13.29m). Meeting, Savoy Hotel, WC, July 3, noon.

MILLETTS LEISURE SHOPS—Results for 53 weeks to February 2 1981 and prospects reported May 7. Current cost pre-tax profit £373,000 against historical £840,000. Group shareholders' funds £6.7m (£6.26m). Fixed assets £6.63m (£5.74m). Net current assets £341,000 (£876,000) including bank overdraft (secured) £2.08m (£456,000). Loans £211,000 (£409,000). Meeting, Abercorn Rooms, EC, July 4, noon.

ST. GEORGE'S LAUNDRY (WORCESTER)—Results for year ended February 28, 1981 reported May 12. Group fixed assets £2.57m (£1.7m), net current liabilities £170,858 (£37,119 assets), shareholders' funds £2.03m (£1.65m). CCA basis pre-tax £128,772 (£251,016 historic). Meeting, Institute of Chartered Accountants Hall, EC, June 29, 11 a.m.

BREMNER AND COMPANY (general warehousemen)—Results for January 31 1981 year reported April 25. Group fixed assets £670,573 (£645,042), net current assets £2.66m (£2.61m), shareholders' funds £3.11m (£3.05m). Meeting, Glasgow, July 2, 10.30 am

BRITISH SYPHON INDUSTRIES — Results for 1980 reported May 29. Group fixed assets £4.21m (£3.22m), net current assets £5.07m (£4.91m), shareholders' funds £8.12m (£6.73m), bank overdraft £3.64m (£2.27m), chairman's emoluments £43,000 (£26,000). Meeting, Sheffield, June 30 at noon.

EVERED AND COMPANY HOLDINGS (engineers)—Results for 1980 reported May 13. Fixed assets £2.09m (£2.44m); current assets £3.65m (£5.41m), including debtors £2.39m (£3.26m): current liabilities £2.33m (£4.48m), including bank overdraft—secured £225,922 (£1.04m): shareholders' funds £2.25m (£3.18m). Bank loan—secured £1m (nil). On a CCA basis, historical pre-tax loss of £646,031 (£43,530) increased to £825,000. Chairman says group has not operated at a profit in first quarter of current year, although rate of loss in the group is reducing. Meeting: West Bromwich, June 29, 2.30 pm.

LONDON TRUST COMPANY—Results for the year to March 31 1981, reported May 21. Listed investments at valuation £113.51m (£94.79m): unlisted £20.69m (£8.4m). Net current liabilities £6.35m (£1.62m). Ordinary shareholders' funds £102.01m (£71.51m). Decrease in liquidity £5.11m (£6.43m increase). Meeting: Connaught Rooms, Great Queen Street, WC, July 1, noon.

FINE ART DEVELOPMENTS (greeting cards and mail order)—Results for year ended March 31, 1981, and prospects reported May 21. Group shareholders' funds £26.93m (£17.77m). Loan capital £5.72m (£0.48m). Fixed assets £23.91m (£15.91m). Net current assets £12.94m (£10.06m). Meeting, Burton-upon-Trent, July 2, 4 pm.

SCRUTTONS (freight terminal operator and consultant)—Turnover for 15 months to end 1980 £13.2m (£10.39m for 12 months), pre-tax profit £880 (£1.29m), tax £493,000 (£458,000), extraordinary credits £47,000 (£61,000), earnings per share 6.2p (£13.7p). Chairman states that profits exceeded the £600,000 forecast at the time the group joined the USM. Considerable expenditure is planned for the current year, but it is difficult to be optimistic about profits.

GIEVES GROUP (tailor, book publisher and manufacturer, motor dealer and car park operator)—Results for year to end January 1981 already known. Shareholders' funds £4.17m (£4.3m); loans £1.86m (£2.47m); fixed assets £4.52m (£5.65m): net current assets £2.47m (£3.48m) including cash £11,774 (£42,147) and bank overdrafts £1.45m (£969,133); decrease in working capital £1.01m. Meeting, Brown's Hotel, W1, July 3, noon.

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BELGRAVE (BLACKHEATH (forging and machining)—Results for year to end-January, 1981, reported May 5. Fixed assets £1.54m (same): net current assets £983,731 (£1.19m). Shareholders' funds £2.62m (£2.79m). Decrease in net liquid funds £19,444 (£237,946 increase). Quoted investments at cost or valuation £95,390 (£132,840). CCA pre-tax loss £413,172. Meeting: Halesowen, July 7, 10.30 am.

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MINING NEWS

Charter offers 110p for Beralt minority shares

BY KENNETH MARSTON, MINING EDITOR

LONDON'S Charter Consolidated mining and industrial group is making an agreed bid of 110p per share for the 32.13 per cent of the shares of Beralt Tin and Wolfram held by the public. Of the balance Charter already holds 50 per cent and Union Carbide has the remaining 17.87 per cent.

The Union Carbide holding is not subject to the bid. The plan is for Charter to sell to Union Carbide at 110p per share sufficient Beralt shares to raise Union Carbide's holding to 25 per cent and leave Charter with 75 per cent.

The proposals value Beralt at £12.6m and will mean a net cost to Charter of £3.16m. In London yesterday Beralt shares rose 25p to 100p after touching a year's high of 103p.

Beralt's 80.55 per cent-owned Beralt Tin and Wolfram (Portugal) produces very pure wolfram concentrates (wolfram is the ore of tungsten) containing a high grade of 75 per cent wolfram trioxide from its mines at Panasqueira in Portugal and also runs the smaller Borralha wolfram mine in the northern part of the country. Portuguese banking interests own the remainder of the BTWP capital.

The main reason for Charter's plan to acquire the public minority holding in Beralt is that the latter may be facing heavy capital spending as a result of Portugal's desire for the mine to increase its foreign exchange earnings by selling an upgraded product.

This could involve the building of an ammonium paratungstate (APT) plant to beneficiate the wolfram concentrates to 89 per cent wolfram trioxide. The trouble is that by using such a plant Beralt would lose the benefit of premium prices paid for its high grade concentrates. Generally speaking, APT plants are used to beneficiate standard 65 per cent grade concentrates.

The obvious alternative would be for the company to find and develop a low grade source of ore. Failing this, there is the possibility that the existing high grade material could be taken beyond the APT stage to be turned into more refined products.

These include powders which are the base material for making pure tungsten metal products such as electric light bulb filaments and tungsten carbide. Special technical expertise is required, however, and this is where Union Carbide could come in.

About 65 per cent of the end-use market for tungsten is in hard metal applications such as tungstic carbide drilling tips. These applications usually involve APT material. The other 35 per cent of the market is in ferro tungsten, the traditional hard steel alloys which find their way into tools for example.

At this stage, Charter's proposed further acquisition of Beralt is seen as a precautionary move. Options for the latter's future operations are still being studied.

While there is no guarantee that future capital expenditure will provide an adequate return, the likelihood that Portugal will join the EEC could open up new growth possibilities, bearing in mind that the Panasquiera mine has a life prospect of at least 15 years.

Even so, uncertainties lie ahead and the bid lifts them from the shoulders of public shareholders who have had to accept some delays in the payment of dividends as a result of Portugal's foreign exchange position.

Furthermore, the price offered for their shares is at least well above any that has been obtainable in the sharemarket in recent years. Further details are to be posted to Beralt shareholders in the next few days and the company's annual meeting is on June 18.

Mitchell Cotts £18m contracts

THREE South African engineering contracts worth about R30m (£17.8m) have been awarded in the past month to the Mitchell Cotts group. One is for the power station coal washing plant at the Van Dyk's Drift section of the Rand Mines' group's Douglas Colliery. This turnkey contract covers design engineering, supply, construction, testing and commissioning.

The second contract is for the design, supply, erection and commissioning of a gold and pyrite treatment plant at St Helena. The mill is designed to treat 132,000 tonnes of ore per month, pyrite being recovered in the flotation sections and gold from both the pyrite concentrate and the carbon-in-pulp section.

The third deal is a project management contract from Shell Chemicals, a division of Shell S.A., for the supply of engineering and project management services, including construction management, for an expansion of the existing Epikote (acid-resistant paint) plant at Durban.

Canadian oil newcomer

DEALINGS IN the shares of a new Canadian oil and gas exploraation company, Dorset Resources, are expected to begin on June 17 in Toronto and London — the latter under Rule 163(1)(e).

The company aims to raise something up to C$20m (£8.5m) by a share placing at a price of C$1 per share and so far is thought to have raised about C$15m.

Meanwhile, Dorset has appointed Mr. C. Alan Smith as president and chief financial officer. He is also a director of Brinco and the Independent Petroleum Association and president of Duex Petroleums.

Duex is a private company engaged in the acquisition of oil and gas properties and exploration, development and production of petroleum and natural gas in Alberta and British Columbia.

Dorset says it intends to negotiate the acquisition of Duex via a share issue, subject to the approval of both boards.

The proposed acquisition of Duex should result in a reduction in the potential risk of non-eligibility of Dorset under Canada's Foreign Investment Review Act and may also increase the company's Canadian ownership rate, making it eligible for incentive payments under the proposed Petroleum Incentive Programme.

Potash plant to lift Dead Sea Works output

NOW THAT construction of a new potash production facility is almost complete, Israel's Dead Sea Works will shortly start running in the plant.

The facility, at Sodom, uses a new process for the extraction of the potash from the brine which requires considerably less energy than other methods. The process will save about US$5m (£2.6m) a year, and the end-product is said to be of superior quality, reports L. Daniel from Tel Aviv.

The construction of the new facility is the first part of a two-stage expansion programme. When the second part is completed in 1985, annual potash output by the Dead Sea Works should reach 2.1m tonnes, compared with last year's record of 1.3m tonnes.

At the same time, the company has been overhauling and expanding its facilities for producing granulated potash, the key to the vital North American market. Output of this grade of material should reach 360,000 tonnes this year, still well below capacity of 560,000 tonnes.

Geevor has poor year

NOT SURPRISINGLY, in view of the Cornish tin mining industry's struggle with rising costs and a low tin price, poor results are announced by Geevor Tin Mines for the year to March 31.

The company has suffered a loss of £285,000 compared with a net profit of £549,000 in the previous 12 months. No dividend is being paid for the past year whereas there was a total distribution of 8.4p net for 1979-80.

Following the latest results, shares of Geevor fell 15p to a year's low of 115p yesterday.

The Rio Tinto-Zinc group recently increased its holding in Geevor to 17.9 per cent from 5.5 per cent by the purchase at 15p per share of the interest held by Hampton Gold Mining Areas.

Amax reaches coal milestone

THE Campbell County mining complex of Amax, the third largest coal producer in the U.S., passed a milestone on May 31 when its output reached 1m tons of coal.

The company's operations in the Powder River basin near Gillette, Wyoming, began in 1972 with the construction of the Belle Ayr mine. Just five years later, Belle Ayr had become the biggest single coal mine in the U.S., with output of 18.1m tons in 1978.

Amax's other mine in the area, Eagle Butte, started production in 1978, and by 1980 its annual output had reached 8.4m tons.

The two-mine complex produced a total of 24.5m tons last year.

All of the coal is used for electricity generation, and it is shipped over almost the whole of the continental U.S.

U.S. court decision threatens computer marketing strategies

BY IAN HARGREAVES IN NEW YORK

DATA GENERAL, the Massachussetts manufacturer of mini-computers, has lost an anti-trust case which could have wide-spread industry significance for the way in which computer manufacturers tie together their marketing of hardware and software.

In a separate development yesterday, the U.S. Justice Department postponed until June 18 a conference between itself and International Business Machines on the future of the department's 12-year-old suit which could lead to the break up of the company.

The Data General case dates back to 1977, when the company sued Fairchild Camera, a West Coast electronics company, for alleged theft of trade secrets in Fairchild's manufacture of a small computer which Data General maintains is identical to its own Nova machines.

Fairchild, however, has maintained that its machines are merely similar to Data General's, making the Fairchild equipment compatible with software designed for the Nova system, in the industry's jargon, this means that Fairchild machines are plug compatible with those of Data General.

Fairchild countersued, therefore, on the grounds that Data General was effectively trying to force customers to buy both hardware and software from a single manufacturer, thus restraining the freedom of the market in a monopolistic manner.

A ruling was made in favour of Fairchild and others on the countersuit in San Francisco on Tuesday. The plaintiffs are seeking $300m in damages under the treble damage procedure in such cases.

Data General says it will appeal, but has not ben granted leave to do so until the court determines the question of damages.

The issue of plug compatibility and the so-called "bundling" of hardware and software by computer manufacturers is complicated and practice varies from company to company.

IBM, which because of its size has long been obliged to supply its software to users of plug compatible machines, recently agreed to further clarify its willingness to do this in an agrement with National Advanced Systems, a subsidiary of National Semiconductor.

Record mogul plays the flip side

Ian Hargreaves looks at Bob Siner's efforts to revitalise MCA Records by replacing top stars with lesser-known names

FACE DANCES, the latest record album from the British rock band The Who, has just officially "turned gold" in America, notching up half a million sales.

But Mr Bob Siner, the young president of MCA Records which last year agreed to part company with The Who because they wanted too much from a renegotiated contract for the album, is still not sweating.

"They would have to sell 1.5m to break even," he says. Mr Siner, however, is not about to crow either, for who knows whether 12 year olds are suddenly going to rediscover The Who. You can never tell in this business.

MCA Records is a subsidiary of MCA Inc of California, a major factor in filmed, taped and recorded entertainment.

The Who is not the only top name which Mr. Siner has signed off since becoming president of the company in 1979. He also lost Elton John, another British star, to Geffen Records and a less well-known but also top-selling rock group, Steely Dan.

"It's kind of a mixed emotion," he says of these rather momentous decisions, "because I love The Who. But it is my job to ensure that we make money."

So far, no one is criticising Mr Siner on the latter score. MCA's records and music publishing interests lost $9.6m in the year he took over, but recovered to a $15.9m profit last year on sales of about $185m.

He is confident that the improvement will continue this year, even though the industry is still dizzy from the unprecedented drop in sales which began in 1979 after five years of 20 per cent a year growth.

Last year, total record shipments in the U.S. amounted to 649m units—including pre-

MCA RECORDS

recorded cassettes and tapes—down 5 per cent from 1979. The decline was greatest in single releases, which suffered from the demise of the disco music fad, but even in LPs a 4.5 per cent increase in unit sales to 492m units generated a sales increase of only 3.3 per cent in dollars, a decline in real terms, according to figures from the Recording Industry Association of America.

"We have had two horrible years," says Mr Siner, a comment appropriate both to the state of the industry and the fact that he has cut MCA's number of major labels from three to one and employment from over 700 to a lean 119.

A relaxed, short, bearded man in his mid-30s, he has thus established something of a reputation as first among a new breed of Sunset Boulevard record moguls, more concerned with the bottom line than with glamour.

As a sign of the new regime, he has even cut out MCA's use of hoardings on the Boulevard itself, an act of irreverence which might be equalled if Boeing were not to show up at the Paris Air Show. "Everyone who drives up and down Sunset gets his records for free anyway," he sneers.

The differences in Mr Siner's approach to selling records, however, go deeper than this. He has emphasised the importance of the company's marketing a "full line" of music, rather than emphasising only one or two areas of taste. This may be elementary thinking in most consumer products marketing, but it is a concept which has bypassed many in Hollywood.

He is even interested in creating a kind of Milk Marketing Board of the record industry, to sell people the message that they need music for their health and pleasure, and to educate them how to use it.

"You can still go to dinner with someone and they will spend hours planning the menu and the way the place looks. Then just as you sit down to eat, they put on the Led Zeppelin"—one of the louder sounds in rock music.

On fraud and bootlegging, a major problem which costs the record industry millions of dollars a year, he has also been a leader in tryin gto persuade radio stations to stop uninterrupted broadcasts of new records at preadvertised times. Not surprisingly, such spots are often sponsored by the manufacturers of blank recording tape, whose sales have tripled to about $300m in the last seven years.

Other aspects of MCA's marketing style under Mr Siner have been to cut out expensive TV advertising and to initiate deals with other consumer product companies, such as the car and soft drink manufacturers, for joint promotions.

But the essence of winning in the record game, will always be the success of the artists you have on contract. MCA's depleted list still includes Tom Petty, B. B. King, Rossington-Collins Band, Olivia Newton-John and Roberta Flack.

Equally important in Mr Siner's scheme of things, the list also includes artists like the Oak Ridge Boys, perhaps not a household name, but a gospel turned country group which last year had three gold albums, a rate of productivity which groups like The Who stopped worrying about 15 years ago. The popularity of country music, Mr Siner says will be more enduring than other recent crazes, such as disco, because it is more deeply rooted in American culture and in tune with a more mellow

MCA RECORDS

political and social atmosphere in the nation. A successful country album used to sell 125,000 copies; today, top country albums sell a million with no difficulty and it is an important area for MCA.

MCA's balance is thus carefully planned between country, rock, black music and mainline pop. A recent survey by Warner Communications, a competitor of MCA, supports Mr Siner's view that the market is continuing to fragment. Warner found that over a three year period the most popular type of recorded music, rock, had slightly loosened its hold, from 38 per cent of sales to 37 per cent of sales, country had grown from 14 per cent to 19 per cent, black music was up from 13 per cent to 14 per cent and "easy listening" was down from 11 per cent to 7 per cent.

This fading of the rock wave is what lay behind the industry's disaster year of 1979, when "people just got bored with the music," says Mr Siner.

What has changed since then? "Not much," he concedes. There is still plenty of mediocre product, but at least this gives the record company the chance to manipulate the market more in favour of one type of music or another. In a sense, a vacuum of real talent is an opportunity for the businessmen.

"In a business where you can only hope to control about 10 per cent of your destiny if you are lucky, that bit of control is welcome," is Mr Siner's view of this state of affairs.

Others feel that in becoming more business-like, the record industry chiefs risk losing the freshness and enthusiasm necessary to spot the kind of new talent which could recreate the glory days of the 1960s.

So far as Mr Siner is concerned, you work with the material you have. Even presidents of the U.S. are not beyond the pale.

When Siner heard that a collection of old Ronald Reagan stomp speeches had been unearthed, he promptly packaged them as "freedom's finest hour" and put it out.

"We couldn't find a single on it though," he sighs.

Barclays trims U.S. debt issue

BY OUR BANKING CORRESPONDENT

BARCLAYS BANK, the first foreign bank to tap the U.S. public debt market, has trimmed the size and maturity of its first issue.

At the end of March the bank announced that it had filed a registration statement for $125m of notes maturing in 2006. However, the bank announced yesterday that it had completed an issue of $100m due June 15, 1991.

The issue by the group's U.S. finance subsidiary — North American Capital Corporation —was priced at 99 per cent and carries a 14⅝ per cent coupon. They yield 14.82 per cent and are redeemable in whole or in part from 1988 at 100 per cent.

Morgan Guaranty accepts composite units overnight

BY PETER MONTAGNON IN BRUSSELS

MORGAN GUARANTY has begun accepting overnight deposits denominated in special drawing rights and European currency units through its Brussels office, according to Mr Paul Caron the U.S. bank's general manager in Belgium.

The bank believes it has become the first international institution to trade such deposits on a very short-term basis. Most international banks which accept SDR denominated deposits do so for periods of three or six months.

This is because of the need to break them down into their component currencies and re-invest them in currency form in the Eurodeposit markets, an operation which is far too complicated and expensive to be carried out overnight.

Morgan Guaranty, however, has a natural market for lending composite currency units such as the SDR and ECU overnight because of its administrative role in the bond clearing house, Euroclear.

Perkins in engine talks with Chrysler

By Hazel Duffy, Industrial Correspondent

PERKINS, the UK-based diesel engine manufacturer, has confirmed that it is having talks with Chrysler about the possibility of producing a six-cylinder diesel engine for Chrysler cars.

Several companies in North America are in discussion with Perkins and Chrysler. They include original equipment manufacturers as well as other engine makers. The discussions are on setting up a joint venture in North America where Perkins has no manufacturing facility since it parent Massey-Ferguson, closed down its plant in Canton, Ohio, in December 1979.

Canada Permanent steps up bid defence effort

BY ROBERT GIBBENS IN MONTREAL

THE Canada Permanent group, which operates the third largest trust company in Canada, is stepping up its campaign to fend off a share exchange bid by First City Financial Corporation, controlled by the Belzerg brothers of Vancouver. However, its management has stopped short of confirming rumours that it is searching for a friendly counter-bidder.

Canada Permanent says it is canvassing shareholders directly and will begin an advertising campaign shortly to explain the management's opposition to the First City bid.

The company says that of the shareholders already contacted, representing 1.3m common shares out of the total 7.1m issued, half said they approved of management's position.

First City, an aggressive financial services group now operating nationally, has made a share exchange offer worth more than C$300m (US$ 272,7m) for Canada Permanent which would leave the Belzberg's with about 36 per cent of the equity of the merged companies, or the largest single stake.

Canada Permanent has assets of C$5.5bn plus assets under administration of nearly C$10bn while First City has assets of about C$2bn. The Belzberg's recently failed to get control of the Bache Group of New York, one of the largest investment houses in North America, which was eventualy acquired by Prudential Insurance Company of America.

Kennecott ordered to sell division

By Our New York Staff

KENNECOTT, the large U.S. copper company which last week became a subsidiary of Standard Oil of Ohio, will be forced by the U.S. anti-trust authorities to sell a recently acquired division which makes filter bags for industrial pollution equipment.

The Federal Trade Commission ruled that Kennecott's acquisition of Dorr-Oliver last year from Curtiss-Wright as part of a settlement of a long-standing contest between Kennecott and Curtiss-Wright, violated anti-trust law in that it brought into Kennecott ownership National Filter Media, a Dorr-Oliver subsidiary.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Monday July 13.

Closing prices on June 10

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Am. Air. 15¼ 86 (WW)	55	100½	101¼	+0⅛	−0¼	14.33
Amoco 13⅝ 88	75	95⅛	95½	0	+0⅞	14.20
CIBC 14½ 84	185	97⅞	98	−0⅛	+0⅛	15.47
CNE 12¾ 91	100	89	89½	0	−0⅛	14.86
Cincorp O/S Fin. 10 86	300	84¾	85¼	−0¼	−0¼	14.36
Citicorp O/S Fin. 12 87	200	90⅞	91⅛	−0⅛	+0½	14.23
Con. Illinois O/S 9¾ 86	150	83	83½	−0¼	+0⅛	14.66
Dupont Canada 13½ 91	65	96⅛	96⅝	0	+0⅞	14.17
EEC 11 95 (August)	70	76	77½	0	−2⅝	15.04
EIB 12⅞ 89	75	89¼	90	−0⅛	−0⅛	15.04
Eldorado 13⅜ 86	50	94⅛	94⅝	+0⅛	0	14.93
Elec. de France 13 88	125	92	92½	−0⅛	−0⅛	14.27
Export Dv. Cpn. 9½ 86	150	82½	82⅞	+0⅛	+0½	14.34
Fed. Bs. D. 12¾ 85 (N)	50	92½	93	+0½	+0⅜	14.52
Fed. Bus. D. 15¾ 84 (J)	40	100⅝	100⅞	−0¼	+0⅛	15.47
Fin. Exp. Credit 10½ 85	50	83⅞	84⅜	−0¼	−0½	16.11
Finland, Rep of 9½ 86	100	80	80½	0	−0⅛	15.65
Ford Credit O/S 14⅝ 85	150	97⅞	98⅛	+0½	0	15.46
Ford Cr. O/S Fin. 16 84	150	102½	103	−0¼	0	14.50
Gaz de France 13½ 86	30	95⅞	96⅜	−0½	−0¼	14.45
GMAC O/S Fin 12 87	100	88⅛	88⅝	−0½	−0⅛	14.92
GMAC O/S Fin 12⅞ 88	100	91	91½	−1	−0⅛	14.93
Gen. Mtrs O/S 11⅜ 87	100	88	88½	−0⅜	−0¼	14.67
Genstar 14½ 91	50	98⅝	99⅛	−0½	+0¼	14.95
GTE Fin. 13¼ 86 (WW)	50	96⅞	97⅜	0	+0½	14.70
Hiram Walker 16 86	50	102⅛	102⅝	+0⅜	+0⅜	15.28
IBM Wld. Trade 12½ 88	200	96½	97	−0½	−0⅜	13.22
Newfoundland 13½ 90	60	94¼	94¾	+9⅛	+1⅛	14.62
Nova Scotia 10¾ 90	60	82¾	83¼	0	+0⅞	14.18
OKB 10 85	50	85⅝	86⅛	+0⅜	+0⅛	14.77
Ontario Hydro 13½ 91	100	94⅞	95⅜	−0⅛	+0½	14.43
Quebec Hydro 11½ 92	100	82⅞	83⅜	+0⅛	+0½	14.71
Queb. Hy. 13 91 (WW)	100	88⅝	89⅛	0	+0¼	15.53
Royal Bk. Canada 14 86	100	97⅞	98⅜	−0⅛	+0¼	14.55
SNCF 13 91	75	91⅜	91⅞	0	−0⅛	14.63
Sth. California Ed. 14 87	50	98½	99	+0⅛	+0⅜	14.29
Sven Handlsbk. 13⅜ 88	45	92⅞	93⅜	+0¼	+0⅛	15.41
Sweden 12½ 85	150	91⅝	92⅛	+0½	+0¼	15.03
Swed. Ex. Credit 13 86	75	90⅞	91⅜	−0½	−0¼	15.76
Swed Ex. Cred. 15¾ 86	50	99⅝	100⅛	+0½	+0⅛	15.71
Tordom Corpn. 15½ 88	25	101⅝	102⅛	+0½	+0⅜	14.94
Toronto-Dom. Bk. 14 84	50	96⅞	97⅜	0	+0⅛	15.28
Tribune O/S Fin. 14 86	50	96¼	96¾	0	+0⅛	15.03
World Bank 9¾ 85	200	85¼	85¾	−0¼	+0½	14.73
World Bank 10¾ 87	300	83¾	84¼	−0½	+0½	14.40

Average price changes .. On day −0⅛ on week 0

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 10 91	100	97½	97⅞	+0⅛	+0⅜	10.41
Austria, Rep. of 8¾ 92	150	85⅞	86⅜	+0½	+0½	10.40
CECA 7⅞ 92	150	†84½	85	0	0	10.21
CECA 10 91	120	†99½	100¼	+0¼	+0⅜	10.01
CII-Honeywell 8½ 90	125	†87½	88	+0½	−1	10.54
Council of Europe 10 91	100	97⅞	98⅜	0	−0½	10.28
EIB 8½ 90	200	87⅜	87⅞	−0⅛	−0½	10.65
EIB 10½ 91	200	†99⅝	100	0	−0½	10.55
ESCOM 9¾ 87	100	91½	91⅞	0	+0½	11.15
Finland, Rep. of 10 89	100	97¼	97¾	+0¼	+0¼	10.47
Iberduero SA 9 90	100	†86½	87¼	−0¼	−1	11.37
Ind. Bk. Finland 8½ 90	50	†87⅞	88½	−0¼	−0½	10.53
Int.-Am. Dv. Bk. 10 91	100	†99½	100	+0⅛	+0½	10.03
Japan Air Lines 8½ 87	100	90	90½	+0⅛	+0½	10.22
Japan Dev. Bk. 7¾ 87	100	86⅜	86⅞	−0½	+0½	10.69
Kobe, City of 8 90	100	85½	86	+0½	+0⅞	10.51
Midland Int. Fin. 8½ 90	100	87½	88⅛	+0½	−0½	10.59
Nuclebras 9¾ 86	100	†84⅝	85½	−0¼	−2⅜	13.01
OKB 8¾ 92	150	†83½	84⅛	−0½	−0⅜	10.82
Oslo, City of 8¾ 90	80	90	90⅜	0	−1	10.47
Venezuela, R. of 9¾ 90	150	92½	93	0	−0½	11.03
World Bank 8 90	700	83⅝	84½	+0½	+0¼	10.81
World Bank 10 88	150	99	99⅜	−0½	−0½	10.16

Average price changes... On day +0⅛ on week 0

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 6½ 91	60	94⅛	94½	+0½	+1½	7.32
BFCE 6½ 91	100	94	94½	−0½	−0⅛	7.36
Bayer Int. Fin. 5⅝ 92	100	88½	89	−4⅛	−1½	6.70
Bergen, City of 6¾ 91	40	98⅞	99½	+0¼	+0⅜	6.89
Bhrmn-Tetterode 7 90	40	98⅝	98⅞	+0½	−1⅛	7.19
CECA 6¾ 91	60	95½	96	0	+0⅞	7.35
Denmark 5¾ 90	80	87⅞	88⅜	+1½	+1½	7.61
Dome Petroleum 5¾ 91	100	94⅞	94⅞	+0⅛	+2	6.49
Elet. de France 5⅞ 90	100	89	89¼	0	+1⅜	6.87
Eurofima 5⅜ 92	90	†98	99	0	0	5.93
F. G. H. Hypo. Bk. 6 90	50	92⅝	93	+0⅛	+1	7.10
Finland, Rep. of 5¾ 90	80	85⅞	85¼	0	−1⅛	7.88
Franc. Petroles 6½ 91	60	97½	98	+1⅛	+3	6.82
Genstar 7 91	100	101⅞	102⅛	0	+1⅛	6.71
Int.-Amer. Dv. Bk. 7 91	100	96⅛	93⅝	+0⅛	+0⅛	7.21
Japan Dev. Bank 5¾ 90	100	†92½	93	+0½	+0½	6.82
Mt. Blanc Tunnel 5⅞ 90	60	87½	87¾	0	−0⅛	7.39
Newag 5⅜ 90	80	90⅝	91	0	+0⅞	7.15
OKB 7 93	100	99½	100	−0⅞	+0⅛	7.00
Oslo, City of 5⅞ 90	80	91	91½	+0½	+1⅛	7.21
Philips Lamps 5⅞ 92	100	87⅜	87⅞	+0½	+0⅜	6.59
Swed. Ex. Cred. 7¼ 91	75	97⅛	97½	+0½	+0½	7.63
Trade Dev. Fin. 6¾ 90	50	91	92	−0⅛	−1	7.42
Voest-Alpine 5¾ 90	30	89½	90	+0½	+2⅛	7.30
World Bank 6 91	100	91	91½	+0⅛	−1	7.28
World Bank 7 90	100	100⅝	100⅞	+0½	+0⅛	6.88

Average price changes .. On day 0 on week +0⅝

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bk. 8¾ 91	15	97⅝	98⅛	−0¼	−0½	8.51
Australia 6½ 88	20	85¾	86⅜	0	0	9.38
EIB 7⅝ 88	12	91½	92⅛	−0⅛	0	9.17
Finland 5.6 83	10	90⅝	91⅛	0	+0⅛	9.56
Finland 6.6 88	10	85½	86½	0	+0⅛	9.65
Finland, Rep. of 8¾ 87	15	97⅝	98⅝	0	+0⅛	8.73

Average price changes.. On day −0⅛ on week 0

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 10¾ 86 C$	60	87½	88¼	0	+0¼	14.18
CIBC 13½ 85 C$	50	93⅞	94⅞	0	−1⅛	15.49
CIBC 11½ 85 C$	60	86¾	87¾	0	−0¼	15.95
Federal Dev. 11½ 90 C$	60	†80½	81½	0	0	15.52
Fst. Can. Inv. 10 84 C$	50	†85¾	86¾	0	0	16.24
R. Bk. Canada 10 86 C$	40	89½	90½	0	+0⅛	12.85
Tordom Cpn. 13½ 85 C$	30	†94	95	+0½	+1	15.45
M. Bk. Dnmk. 9 91 EUA	25	88⅝	89⅞	+0½	−0⅛	10.74
SOFTE 8¼ 89 EUA	40	87⅞	88½	−0½	−0½	10.59
U. Bk. Nwy. 9½ 90 EUA	18	96½	97½	+0½	−0½	10.02
Algemene Bk. 10¼ 86 Fl	60	94½	95	0	−0½	11.73
Bk. Mees & H. 10 85 Fl	75	93⅜	93⅞	+0½	−0⅜	12.02
Heineken NV 10 87 Fl	100	93	93½	−0½	−0½	11.59
Nat. Nedrlndn. 10 88 Fl	60	93⅞	93⅞	−0½	−0½	11.39
Ned. Midd. Bk 10 85 Fl	75	93⅞	94⅜	−0½	−0⅛	11.80
Pierson 10¼ 86 Fl	50	94½	94⅞	0	−0⅜	11.84
Air France 14½ 86 FFr	200	92	93	−0½	−0⅞	16.84
Bk. America 14½ 86 FFr	250	91⅛	92⅛	−0⅛	−1	17.15
Charbonnages 13⅞ 85 FFr	400	91⅞	92⅞	−0½	−0½	16.56
EIB 14½ 88 FFr	300	89	90	−0½	−1¼	16.81
La Redoute 14⅜ 85 FFr	125	89	90	−0¼	−1½	17.84
OKB 14 86 FFr	400	91⅝	92⅝	−0⅛	0	16.47
Solvay et C. 14¾ 86 FFr	200	99½	100½	+0½	+0⅜	14.66
Swed. Ex. C. 14⅝ 86 FFr	250	90⅞	91⅞	−1½	−1½	17.35
U. Mex. Sts. 14 85 FFr	150	90½	91½	−0⅛	−1½	17.45
Arona 14 85 £	20	93½	94⅜	+0½	−0⅛	15.85
Beneficial 14⅛ 90 £	20	85⅜	86⅛	−0½	−3⅛	17.32
BNP 13½ 91 £	15	90½	91½	+0⅜	−1½	15.30
CECA 13½ 88 £	20	90¼	91⅛	0	−2⅞	15.61
Citicorp O/S 13½ 90 £	50	92⅝	93½	+0½	−2	14.92
Fin. Ex. Cred. 13⅜ 86 £	15	92⅞	93⅞	+0½	−2	15.77
Gen. Elec. Co. 12½ 85 £	50	87⅞	88⅞	+0⅛	−2⅛	15.11
Hiram Walker 14¼ 86 £	25	94⅞	95⅞	+0½	−0⅜	15.62
Privatbanken 14½ 88 £	12	90¼	92	+0⅛	−3	16.67
Rothschild 14¼ 90 £	12	94⅛	95⅛	+0⅛	−1½	15.32
Royal Trustco 14 86 £	12	95⅛	95⅞	+0⅛	−0⅜	15.35
Swed. Ex. Cr. 13¾ 86 £	20	94⅛	94⅞	0	−1⅛	15.41
Banobras 8½ 90 KD	7	†90	90½	0	0	9.95
CCCE 8¾ 91 KD	10	†82¾	83½	0	0	11.04
Sonatrach 8½ 90 KD	12	†93	93½	0	0	9.66
Akzo 9⅜ 87 LuxFr	500	87	88	+1½	+1⅛	12.15
Euratom 9⅜ 88 LuxFr	500	86½	87½	−1⅛	−1	12.79
Eurofima 10½ 87 LuxFr	500	91½	92½	−0½	+0½	12.42
EIB 9¾ 88 LuxFr	600	89⅞	90⅞	−0½	+0⅛	11.96
Volvo 9¾ 87 LuxFr	500	86⅝	87⅝	+0½	0	12.76

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bank 5¼ 87	0¼	99¼	99¾	2/7	16⅝	16.71
Bank of Montreal 5¼ 90	0¼	99⅜	99⅞	16/6	19½	19.57
Bank of Tokyo 5¼ 89	‡0¼	98⅜	98⅞	25/7	16½	16.73
BBL Int. 5 86	0¼	99⅞	100⅜	20/11	18.31	18.29
BNP 5½ 88	‡0¼	99	99½	29/7	16.44	16.56
CNT 5¼ 86	§0¼	99⅛	99⅝	16/10	16.81	16.90
Christiania Bk. 5½ 91	‡0¼	97⅞	98⅜	5/8	17.31	17.64
Citicorp O/S F. 84	‡0	98⅝	99⅛	30/6	18⅞	19.09
C. Itoh 5¼ 87	0¼	98⅞	99⅜	18/9	15.44	15.61
Co-operative Bk. 6 86	0¼	99⅞	100⅛	15/11	19.56	19.56
Den Norske Credit 6 90	‡0⅛	98⅞	99⅜	5/8	17.31	17.49
Genfinance 5¼ 87	0¼	99	99½	30/10	16.94	17.07
Giro und Bank 5¼ 91	‡0¼	98¼	98¾	23/6	14.06	14.28
GZB 5½ 89	‡0¼	98⅞	99¼	1/8	17.31	17.43
Ind. Bank Japan 5¼ 87	0⅛	99⅝	99⅞	15/10	17.06	17.15
Ind. Bank Japan 5¾ 88	0¼	98⅞	99⅛	9/10	16.44	16.62
Lloyds Eurofin 8 90 £	0¼	96⅝	97⅛	3/7	14½	14.33
Lloyds Eurofin 5¼ 92	0⅛	98¼	98¾	4/12	17.44	17.61
LTCB Japan 5¼ 86	0¼	99¾	100¼	13/6	20.19	20.19
Man. Hanov. O/S 5¼ 94	‡0⅛	99½	100	30/8	19.06	19.11
Merrill Lynch O/S 87	0⅛	100½	100¾	7/8	20.44	20.34
Midland Int. Fin. 5¾ 92	0¼	98⅞	99⅜	5/12	17⅝	17.53
Midland Int. Fin. 8 91	0¼	98	98½	30/10	16.81	17.11
Nacional Fin. 6¼ 86	0¼	99	99½	25/7	17¾	17.88
Nacional Fin. 5½ 88	0¼	96⅞	97⅜	25/9	14⅞	15.32
Nat. Bk. Canada 5¼ 88	0¼	97⅞	98⅜	24/9	14½	14.80
Nat. West. 5⅜ 94	§0¼	97⅞	98⅜	14/10	16.19	16.52
Nat. West. 5¼ 92	§0¼	97⅞	98⅛	23/10	16.81	17.16
Pemex 6 91	0¼	97	97½	8/10	15.31	15.75
Sparebanken 6 87	0¼	99	99½	19/6	19⅞	20.03
Standard Chart. 5¼ 90	0⅛	98⅝	98⅞	3/9	17.06	17.26
Svenska Hndlsbk. 5 87	0¼	99½	99⅞	15/7	17.81	17.88

Average price changes... On day 0 on week −0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Bow Valley Inv. 8 95	4/81	23.12	98⅞	99⅞	−0½	25.78
Canon 6¾ 95	1/81	829	168	169½	+5¾	3.76
Credit Suisse 4⅜ 93	10/79	1236	79¾	81¼	−0⅛	−2.64
Digicon Fin. 8½ 95	10/81	28.5	103¾	104¾	−0⅛	7.65
Fujitsu 5½ 96	7/81	732	103½	104⅛	+1¼	17.56
Hanson O/S Fin. 9½ 96	8/81	2.74	89¾	91	+1⅞	1.84
Ina Overseas 8¾ 2000	4/81	42	111	112½	−2¾	−0.94
Inchcape 8 95	2/81	4.55	80½	82	+1¼	−1.47
Kotobukiya Co. 7 96	4/81	619	†96½	97½	−1	−0.47
Marion Int. Fin. 9 95	12/80	15.5	80¼	81¾	−1⅛	23.94
Matsushita El. 7½ 95	11/80	590	93⅝	94⅝	+1½	1.67
NKK 6½ 96	7/81	188	104⅜	105⅜	+2⅜	13.26
Ricoh 6¾ 95	6/80	604	131	132½	+6⅛	5.65
Sumitomo M Ind. 7 95	2/81	181	140	141¼	+2⅞	4.50
Swiss Bk Cpn. 6¾ 90	9/80	200	72	74	−0⅛	24.31
Taylor Woodrow 8¾ 90	1/81	4.94	88½	90	−3⅜	−3.99
Tokyu Land Cpn 7¾ 96	4/81	325	101⅝	102⅝	+0⅞	16.20
Transco Int. 8¾ 95	2/81	68	82	83	−0½	33.57
Tricorp 8½ 95	12/80	31.25	82½	84	−0⅛	19.61
Union Bk Switz. 5 89	2/80	70.79	72½	74½	0	4.38
Fujitsu 5 84 DM	7/79	431.5	182	183½	+0⅜	−0.17
Sharp Cpn. 6½ 88 DM	9/80	595	175	176½	+0⅜	−0.25
Uny Co. 6½ 85 DM	11/79	679.3	115	116	−1¼	−2.06

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price: the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn = The current coupon. C.yld = The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share, expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

$100m straight bond launched for GMAC

By Francis Ghilès

GENERAL MOTORS Acceptance Corporation yesterday became the fourth borrower to announce a fixed interest Eurodollar bond this week. Chemical Bank is acting as lead manager for this $100m six-year bullet issue which includes a coupon of 14⅝ per cent and a final price of par.

The U.S. motor manufacturer is raising these funds through its offshore financial arm, GMAC Overseas Finance NV and the paper will offer institutional investors a yield of 15.08 per cent if the 1¼ per cent selling group reallowance is taken into account.

Many bond managers initially argued that the terms were too tight. By yesterday afternoon, however, they wree taking a kinder view of the issue because of the marked improvement in the New York bond market, which pushed prices of seasoned dollar Eurobond issues up by ½-⅝ points yesterday afternoon.

The 14⅝ per cent bond to 1993 for the EEC launched Tuesday was quoted yesterday morning at a two points discount from its price of 99 but the discount narrowed later to 1½ points as the market improved.

A $100m five-year floating rate note for Mexico's Nacional Financiera which carries a minimum coupon of 5⅛ per cent is being rranged by Credit Suisse First Boston. The borrower is paying a coupon pegged at ¼ per cent above the six-month London inter bank offered rate.

The Japanese chemical company Ajinomoto is arranging a $40m 15-year covertible carrying an indicated coupon of 6 per cent through Nikko Europe, Merrill Lynch and Nomura International.

Prices of D-Mark foreign bonds gained about ½ points on the day. The DM 75m 10⅛ per cent bond to 1989 for the Norwegian borrower, Aardal og Sundal was well received and quoted yesterday at a discount of ½ per cent from its issue price of 99½.

Swiss franc bond prices were unchanged yesterday but the flow of new issues continues.

Several private placements are being completed in this sector, including the Mexican Intermex Development Bank's issue of SwFr 75m of five-year notes through Union Bank of Switzerland carrying a coupon of 8¼ per cent. Meanwhile Nederlandse Gasunie has arranged a two-tranche bond issue through Swiss Bank Corporation. The first tranche of SwFr 25m is for five years and carries a coupon of 7⅞ per cent, priced at 99½ per cent. The second tranche is for six years with a coupon of 7⅞ per cent, priced at par.

State to vet Reksten business links

By Fay Gjester in Oslo

A GOVERNMENT-appointed committee is to make a full inquiry into every aspect of the relationship between Hambros Bank and Reksten shipping companies, and the state-backed Norwegian Guarantee Institute for Ships and Drilling Rigs (GI).

One aim of the inquiry will be to determine whether the institute would be justified in refusing to meet its guarantee commitment on loans totalling NKr 870m ($161.5m) arranged by Hambros for the Reksten group.

This became clear in Oslo yesterday after the Storting (Parliament) Finance Committee, in a late night sitting, unanimously agreed to recommend that a public inquiry be held. The committee's recommendation will be discussed by the full Storting today or tomorrow, and the Government is expected to appoint the inquiry committee soon afterwards.

Mr Arne Skauge, Conservative MP, who drafted the committee's report to the Storting, said yesterday there were "serious grounds" for asking whether the Reksten loan guarantees had been granted on the basis of incorrect assumptions.

The ill-fated Guarantee Institute, originally set up to tide ship and rig owners over a market slump, was likely to be wound up, Mr Skauge said. It was "heading that way." But he added: "The main thing now is to ensure that the Norwegian state's losses are as small as possible. The GI will have to continue in existence for a time to take care of this task."

Exceptional charges keep Creusot-Loire in the red

BY DAVID WHITE IN PARIS

CREUSOT-LOIRE, the French nuclear and engineering group, yesterday revealed a net loss of FFr 105.8m ($18.5m) for last year.

The consolidated result, while showing a marked improvement on the previous year's FFr 253.6m loss, nevertheless fell behind expectations. The group, which has been struggling against heavy deficits since 1976, had aimed to break even in 1980.

Group sales last year rose to FFr 17.2bn from FFr 16.4bn, an increase of slightly under 5 per cent.

The parent company, which held its annual shareholders' meeting yesterday, had earlier announced an operating profit of FFr 27m for 1980 but a net loss of FFr 34m as a result of exceptional restructuring charges. It is not paying a dividend.

Creusot-Loire is controlled by the Empain-Schneider concern, in which the main stake was recently taken over by Paribas, and which is one of the big holding groups threatened with nationalisation under the new French Government.

Last year's loss partly reflected delays in reaching agreement on the future of Creusot-Loire's special steel operations. The long products division has been brought into a new company 75 per cent owned by the state-backed steel group, Usinor. This agreement relieves Creusot-Loire of the heavy investment charges that would have been necessary in this sector.

Creusot-Loire also suffered losses in some engineering and mechanical branches, and in scientific instruments.

Its current outlook will be affected by the revision of the French nuclear energy programme under the new Government. Creusot-Loire recently reinforced its stake in Framatome, the country's sole manufacturer of nuclear pressure vessels, by taking over the 15 per cent interest held by Westinghouse of the U.S. under a Franco-U.S. agreement bringing to an end the licensing arrangements for French reactor production. Creusot-Loire now holds two-thirds of Framatome.

Kaufhof lifts profits by 56%

BY KEVIN DONE IN FRANKFURT

KAUFHOF, West Germany's second largest retailing group, achieved a substantial recovery last year with a jump of 56 per cent in group after-tax profits to DM 61.1m ($25.5m) compared with DM 39.3m in 1979.

The group is suffering from declining sales in its dominant department stores operations, however, and is stepping up its diversification into other areas such as mail order, specialist fashion and furnishing stores, and fast food restaurants.

Group turnover climbed by 8.1 per cent last year to DM 8.6bn, chiefly because of the inclusion for the first time of the new Friedrich Wenz mail order subsidiary, which had sales of DM 456.8m in 1980, a rise of 15.8 per cent.

Overall, the Kaufhof group derived 30.2 per cent of turnover from its non-department stores activities in 1980 compared with 25.2 per cent in the previous year.

Kaufhof has suffered particularly from the general stagnation in the retail sector in the Federal Republic so far this year, and the turnover of the parent company, chiefly derived from the department stores operations, fell by 7 per cent in the first five months of 1981 to DM 2.24bn compared with the corresponding period of 1980.

Total group turnover dipped by 3.9 per cent to DM 3.24bn, however, helped by a 10.8 per cent increase in mail order business and a 0.7 per cent sales rise at Kaufhalle, Kaufhof's small-scale department store subsidiary. Equally ITS, the groups travel subsidiary, has boosted bookings in the seven months from November to May by 14 per cent to DM 354m, with a 6.2 per cent rise to 420,000 in the number of holidays sold.

The group's programme of diversification is being concentrated this year on the opening of its first eight fast food restaurants, under the name of Sam's Quick Hamburger Restaurants, and a second fashion boutique.

The fast-food chain is being built up by a joint company established last year by Kaufhof with the Belgian retailing group, GB-Inno-bm. Kaufhop has a 60 per cent share in the venture.

The steep fall in after-tax profits in 1979 was caused by the unexpectedly heavy costs run up by the Kaufhof special jubilee sales campaign, which led to the hiring of a large number of extra staff and a big need for additional storage and warehousing space, an effort which hit deeply into group profitability.

The workforce of the whole Kaufhof group was reduced last year to 57,300 from 58,800 in 1979. By the end of May this year it had been cut further to 52,800.

Metro stays in the shadows

BY OUR FRANKFURT STAFF

THE ULTIMATE working relationship between Kaufhof and its new minority shareholder, Metro, the powerful Swiss-German cash and carry group with sales worldwide of around SwFr 18bn ($8.5bn), remains shrouded in mystery.

Having acquired 24 per cent of Kaufhof last year, Metro was told firmly by the German Cartel Office not to step up its shareholding. Subsequently, the Union Bank of Switzerland (Metro's bankers) purchased 26.3 per cent of Kaufhof.

The Cartel Office has been trying for nearly six months to show that the Swiss bank share deal had been orchestrated by Metro—but without success. Raids on Metro's German offices for documents have come up with nothing and the Cartel authorities are clearly powerless to carry their search across the border into Switzerland.

On the agenda for the Kaufhof annual meeting next month are votes to elect Herr Erwin Conradi, chief of the Düsseldorf-based German arm of the Metro empire, to the supervisory board of Kaufhof, along with Dr Robert Sutz of the Union Bank.

Despite recent speculation, Herr Friederich Roesch, speaker of the Kaufhof executive board, said that so far Metro had not exercised any influence on business policy at Kaufhof. It had not influenced in any way purchasing or sales, personnel, accounting or organisation.

Bosch in video talks with Matsushita

By Our Frankfurt Staff

THE JAPANESE push to establish a video recorder production base in Western Europe is being intensified with the opening of talks between Matsushita Electric Industrial and Robert Bosch, the West German electrical and electronics group, on a possible joint production venture in the Federal Republic.

At the same time Japan Victor Company (JVC), the 50 per cent-owned Matsushita subsidiary, is expected to sign agreements in London this week with three of West Europe's leading electrical groups, Thorn-EMI of the UK, AEG-Telefunken of West Germany and Thomson Brandt of France, for the joint production in Europe of a series of video products including recorders, video disc players and video cameras.

It is expected that the four groups will form a joint production company in which each will hold a 25 per cent interest. The video recorders will be manufactured in West Berlin using JVC's VHS system, which holds the largest share in the fast-growing world market for video tape recorders.

Bosch confirmed in Stuttgart yesterday that preliminary talks had opened with Matsushita over the possible manufacture of video recorders in West Germany. The Bosch subsidiary Blaupunkt, which manufactures a wide range of home entertainment electronics products and car radios, has been buying in video recorders from Matsushita for the past two years for marketing under its own name.

Talks between the two sides were still in "the early stages," said Bosch, and no early outcome was expected.

Like AEG, Bosch has been losing money on its home entertainments products for some time and has had to make considerable cuts in its Blaupunkt workforce in recent years.

With a turnover of DM 1.04bn in 1979, Blaupunkt suffered a loss of DM 29m. The manufacture of video recorders would offer a way of entering one of the main growth areas in this sector, which has so far been dominated by JVC, Sony and Philips.

Fiat and KHD arbitration continues

By Our Financial Staff

THE CONVERTIBLE element of Fiat Finance Corporation's $250m Eurocredit, which involves shares of Iveco, has no immediate consequences for the dispute between Fiat and Kloeckner Humboldt Deutz over the price Fiat will pay for the German group's stake in Iveco.

This was announced yesterday by Fiat which has agreed to acquire KHD's 20 per cent minority interest in Iveco, Fiat's Dutch-registered industrial vehicle subsidiary. Arbitration is pending in Switzerland to settle the price.

VW Argentina layoffs

Volkswagen Argentina has introduced short-time working for 2,000 of its 4,250 workforce due to a fall in domestic sales. Those affected will work only 13 of the 22 working days of June. No further spells of short time are planned.

UCB forecasts earnings setback for first half

BY OUR FINANCIAL STAFF

A STRONG hint of lower profits for 1981 was given yesterday by UCB, the Belgian chemicals, pharmaceuticals and film group which last year suffered a severe setback.

The "climate of recession" had continued, the company said. Although the second half would show a recovery the first six months of 1981 would produce "significantly lower earnings."

The whole of 1981 would suffer from an unfavourable economic environment in Europe, with inflation still high, economic growth nil or negative, and increases in the cost of wages, energy and finance. At the same time selling prices remained inadequate because of sharp competition and price controls in Belgium.

The film division has suffered the most an dwill show a significant loss in the first half. Chemicals show some resistance and could break even for the first half.

Pharmaceuticals are suffering from the full effects of the new Belgian reimbursement classification for medicines but, thanks to exports and the division's increasingly important commercial activities outside Belgium, it "will be able to maintain a good profit."

Last year earnings at UCB slipped to BFr 219m ($5.5m) from BFr 330m on sales 13 per cent higher at BFr 23bn. Despite the setback the company maintained its dividend at BFr 140 a share.

Kemira shows advance

By Lance Keyworth in Helsinki

KEMIRA, the Finnish state owned industrial chemicals and explosives company, had a "satisfactory" year in fiscal 1980 with net turnover up by 27.6 per cent to FM 2.4bn ($600m) and net profits ahead by FM 2m to FM 17m. However, the operating margin was somewhat smaller at 14.7 per cent of net sales against 16.4 per cent in 1979.

Kemira's total investment in 1980 was FM 345m and the company plans to make substantial investments in the coming years, which will be partly directly at increasing its export potential. Exports increased by 24.2 per cent in 1980 to FM 9m. It bought 3m at that time and 5m this spring. It now has 268.6m shares outstanding.

● Ahlstrom, one of the largest private sector industrial groups in Finland, reports satisfactory results for fiscal 1980.

Net turnover of the parent company rose 24 per cent to FM 2.65bn ($660m). With turnover at subsidiaries included, the increase was 21 per cent to FM 3.31bn.

The company's net earnings after taxes and full depreciation were FM 29.6m, against FM 26m in 1979, representing 1.1 per cent of turnover. The dividend is 12 per cent.

New Islamic institution seeks $1bn in capital

BY BRIJ KHINDARIA IN GENEVA

A NEW Islamic financial institution, Dar Al Maal Al Islami (DMI), is seeking to raise $1bn in capital for investment, insurance, banking and trading operations, mainly in developing countries.

The first issue of $250m bearer shares has already been floated by DMI's Geneva-based management company, in 49 developing countries comprising all the Islamic states and five other countries with large Muslim populations. They are priced at par of $100, with an issue fee of $5.

The minimum subscription open to private individuals is $1m with a ceiling of $5m. About $160m has already been raised, chiefly from Saudi Arabia and Egypt, and DMI officials say the rest should be raised easily before the closing date of July 31.

On August 1, a $750m issue will be offered in the same countries on identical conditions. However, the focus will be on encouraging small investors, and the minimum subscription for individuals will be $100 with a ceiling of $1m.

Prince Mohammed Al Faysal al Saoud of Saudi Arabia, president of DMI's board, said he expected the total paid in capital to be worth $7bn in five years because of the profitability of the institution's operations.

DMI was registered in the Bahamas earlier this year as a trust with special permission from the Bahamian Governor to issue bearer certificates. The trust has no fiscal obligations in the Bahamas and can be moved elsewhere.

The trust's operational arm, DMI SA, is based in Geneva as a Swiss company with only a management role. Its chief executive is Dr Ibrahim Mustafa Kamel, an Egyptian banker.

DMI SA will manage investment companies, banks and insurance operations—to be called Islamic solidarity companies—based in Islamic countries.

Its main purpose is to promote profitable investments, chiefly from Islamic individuals in developing countries, especially Islamic nations. Instead of charging interest from borrowers the company will take a share of net profits. It will not pay interest to investors either, because interest receipts and payments are banned under Islamic law.

The DMI's activities will be overseen by a religious council

VONTOBEL EUROBOND INDICES
14.5.76=100%

PRICE INDEX	2.6.81	9.6.81	AVERAGE YIELD	2.6.81	9.6.81
DM Bonds	87.36	85.96	DM Bonds	10.383	10.661
HFL Bonds & Notes	91.11	90.99	HFL Bonds & Notes	11.104	11.118
U.S. $ Strt. Bonds	82.17	83.73	U.S. $ Strt. Bonds	13.751	13.387
Can. Dollar Bonds	83.38	83.67	Can. Dollar Bonds	13.776	13.732

JAPANESE COMPANIES WOO PRIVATE INVESTORS

Increase in new issues forecast

BY JOHN MAKINSON

JAPANESE companies are likely to raise around Y1,500bn ($6.6bn) in new equity this year, an increase of 50 per cent on 1980, according to Mr Setsuya Tabuchi, president of Nomura Securities.

He estimated that roughly 20 per cent of this figure, which includes both straight equity and convertible issues, would be placed outside Japan.

Mr Tabuchi said that after a long period in which capital investment has been financed primarily by bank borrowings, Japanese companies are returning to the equity market for funds and seeking to improve their debt/equity ratios.

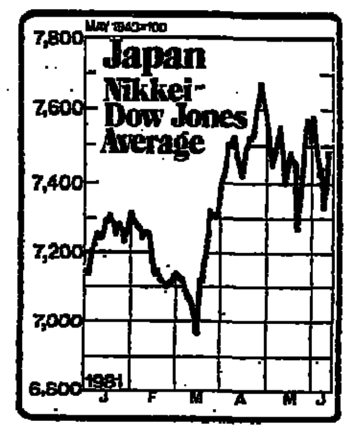
In particular, they are seeking to draw back to the stock market private investors, whose numbers have been falling over the past 10 years. Mr Tabuchi said that Japanese companies are gradually increasing their dividends with this in mind.

The flood of new equity capital should help to offset the taking of shares off the market by long-term holders, such as OPEC states, which have been heavy buyers since last year. It could also reduce the recent volatility of the market.

Mr Tabuchi said that with the present softening of oil prices, OPEC buying will probably be at about the same level this year as in 1980, but he noted that U.S. pension funds have been stepping up their investment in Japanese equities.

Overall, however, net foreign buying of equities should be little different from last year's figure of $5.2bn.

The pension funds are attracted by the fundamental outlook of the Japanese economy as well as by the prospects for the yen, Mr Tabuchi said. Nomura, the largest securities house in Japan, estimates that the yen should rise to around 200 to the dollar from its present level of 228 in the course of this year. The company has revised its forecast



of Japan's current account position in the fiscal year ending March 1982 from a deficit of $1.6bn to a surplus of $4bn.

Mr. Tabuchi said that the improved current account outlook, coupled with a slight weakening of the U.S. balance, should help the yen. He also *estimated that the current* interest rate differential between the U.S. and Japan should narrow as dollar rates creep down and yen rates inch up.

The yen's strength has so far discouraged Japanese institutions from investing heavily abroad. But this trend is changing, Mr. Tabuchi believes, and more foreign companies are likely in future to seek Tokyo listings and tap the increased domestic demand.

Mr. Tabuchi said he did not believe that the Tokyo market *had become overvalued* following its roller-coaster rise this year. Many shares were still cheap compared with similar companies in other countries, he added.

The Japanese capital markets have become significantly more open following the recent revision of exchange control regulations, Mr. Tabuchi said. He added that he expected Tokyo to become the world's third financial centre after London and New York.

The Government has heavily restricted foreign purchases in the case of 10 strategic companies, and Mr. Tabuchi said he did not expect the Ministry of Finance to extend this list.

But he added that the increasingly international character of the Tokyo market would not result in a fusion of the activities of Japanese banks and securities houses, except in the case of money market business. A clear separation would remain in the long-term sector of the capital markets.

Turning to the threat of protectionist measures against Japan, Mr Tabuchi said that Japanese industry will remain flexible and encourage the import of foreign raw materials, so long as the weaker oil price is helping the country's balance of payments.

But he said he did not think it would be necessary for the Japanese Government to impose any additional voluntary restrictions on exports.

Nomura is expecting its *operating income to rise 10 per* cent to $380m in the current year, while net income should be up by 20 per cent to $190m.

TDK sees further growth

By Arthur Dawson

NET EARNINGS by TDK Electronics, the leading Japanese manufacturer of ferrites and magnetic tapes, are expected to rise by 15 per cent in the year ending November 30 to Y24.15bn ($105.92m) from Y21bn last year, on sales forecast to advance by 20 per cent to Y258bn from Y215bn, Mr Katsuro Kamiya, executive vice-president, said at a press conference in London yesterday.

He said that the forecasts may have to be increased because the videotape and video recorder component markets were strengthening. He expected that world videotape markets would increase at an annual rate of 40 per cent over the next four to five years.

Mr Kamiya also said that TDK, with manufacturing units mainly in Japan and the United States, plans to raise its videotape capacity to 5m per month at the end of this year and to 7m cassettes per month by the end of 1982 or early 1983.

He noted that at the end of May this year about 32 per cent of the company's common shares were held outside Japan, of which about 44 per cent were owned by British investors.

Hong Kong redrafts bid rules

BY ADRIAN BOVEN IN HONG KONG

THE HONG KONG Security Commission's takeover committee has finished drafting long-awaited amendments to tighten up the rules for takeovers. An official speaking for the Commission said yesterday that these will encompass more changes than originally expected.

The most prominent feature of the amendments is a trigger ruling requiring any shareholder or group of shareholders who acquires more than 35 per cent of a company's voting rights, to make a general offer for the remaining shares at the highest price paid to acquire in the previous six months.

Members of the committee had at one point in their deliberations considered adopting a trigger of 40 per cent but in the end decided to stay with 35 per cent, a level they originally proposed to the Commission in January, when approval to make the changes was given.

However, the committee changed its mind on the percentage by which any shareholder with an existing holding of 35 per cent may be allowed to increase his holdings without making a general offer. The figure originally proposed was 3 per cent a year but this has been changed to 5 per cent.

The amendments will also include a new definition of shareholders acting in concert to acquire control of a company, because the existing definition, was considered insufficient to close all loopholes.

The committee originally expected to finish drafting the amendments within weeks of getting approval in January, but took more time after stockbrokers and merchant bankers, criticised it for acting too quickly. They said several additional points needed clarification, such as the question of whether a son who inherits a controlling block of shares from his father, would be required to make a general offer.

The amendments need approval only from the Commission, and no other Government authority because the code is voluntary and not legally binding.

However, most stockbrokers and merchant bankers in Hong Kong oppose altering the code, because they say the changes are fashioned on a British model that is unsuitable to Hong Kong trading conditions and major shareholders will be tempted to defy them.

Sharp advance for Oriental Holdings

By Wong Sulong in Kuala Lumpur

ORIENTAL HOLDINGS, the diversified Malaysian group, which holds the distribution franchise for Honda, the Japanese motor manufacturer, raised its pre-tax profit for the year ended December from 28.6m ringgit to 58.6m ringgit (U.S.$ 27.3m). After-tax earnings also more than doubled, from 16m ringgit to 33m ringgit.

The company is making a *one-for-four scrip issue from* its retained earnings, so increasing its paid-up capital to 83.5m ringgit. The final dividend is 13 per cent, making an unchanged 20 per cent for the year.

Legal opening seen for yen investment overseas

BY RICHARD C. HANSON IN TOKYO

A BARELY NOTICED technical change in Japan's Securities Exchange Law, which was passed last month, may open the door for a substantial flow of Japanese investment into overseas certificates of deposit (CDs) and commercial paper

According to Yamaichi Securities, the amendment, effective from April 1 1982 will free securities companies and banks in Japan to trade in CDs and CP issued overseas in foreign currencies. At present both are limited to making such purchases only for their internal accounts.

The change in the law involves allowing securities companies to carry out business not related to "securities." This rather arcane addition turns out to be a significant victory for the securities industry.

This is because, in Japan CDs, a fairly recent addition to Japan's money markets, are not classified as securities. Commercial paper, which does not exist in Japan, also fits neatly into the non-securities definition.

Mr. Hitoshi Tanaka, the general manager of Yamaichi's foreign scurities department, said the securities industry is already drawing up rules to govern the new line of business which is expected to centre on highly liquid institutional investors and trust banks as well as corporations with surplus capital available for short-term overseas investment.

From the point of view of companies in the U.S. or banks in Europe and elsewhere, it should mean the opening of a sizable new market to tap for short-term money. Mr Tanaka says, both Japanese securities companies and banks will be able to trade in foreign CDs and CP for their customers.

Yamaichi proposes to offer customers a swap arrangement on CDs and CP to cover exchange risks. It believes Japanese investors will be attracted away from the Gensaki, or bond repurchase market, which serves in Japan as the main short-term repository for corporate funds.

The extent of a potential shift away from Gensaki can be illustrated by the size of the market itself. Annual transactions run at about Y120,000bn ($526bn). The life insurance companies, which are allowed to place up to 10 per cent of their investable funds overseas, are *thought* to be the biggest potential customers.

They have about Y25,000bn available, of which less than 3 per cent is currently invested overseas. Trust banks have only about one per cent of the Y5,000bn or so available invested overseas.

Business and Investment Opportunities

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

Companies and Markets

CURRENCIES, MONEY and GOLD

Dollar weaker

The dollar was weaker in currency markets yesterday, reflecting a softer trend in U.S. interest rates. Marine Midland became the first major bank to cut its prime rate from 20 per cent to 19½ per cent helping to push the dollar weaker.

Sterling improved at the dollar's expense and was firmer against most European currencies.

European currencies were firmer against the dollar but once again showed little change within the European Monetary System. The Italian lira showed some improvement although it remained in second place behind the Deutsche Mark while the Belgian franc continued as the weakest currency.

DOLLAR—trade weighted index (Bank of England) fell to 108.5 from 109.5. The dollar finished close to its worst level of the day. Against the Deutsche Mark it fell to DM 2.3725 from DM 2.4020 and SwFr 2.0875 from SwFr 2.1110. It fell sharply against the Japanese yen to Y225.25 from Y228.10 and finished at FFr 5.6225 against the French franc from FFr 5.7125. Euro-dollar rates were weaker, the six-month rate falling to 16⅝ per cent from 17 1/16 per cent.

STERLING — trade weighted index (Bank of England) rose to 95.0 from 94.6, having stood at 95.0 at noon and 95.3 in the morning. Sterling opened at $1.9680 against the dollar but eased to $1.9625 before coming back to $1.9650 around lunchtime. Dollar interest increased with the entry of New York into the market and sterling fell to $1.9575. However the pound soon re-asserted itself and finished at $1.9710-1.9720, a rise of 3.1c. Against the Deutsche Mark it rose to DM 4.6750 from DM 4.6625 and SwFr 4.1150 from SwFr 4.0975. It was unchanged against the French franc at FFr 11.0850 but rose against the yen to Y444.50 from Y442.75.

D-MARK — Strongest member of the European Monetary System but very weak against the dollar, affected principally by the continuing high level of U.S. interest rates. German currency has also been depressed by tension in Poland—The dollar was fixed at DM 2.3700 at yesterday's fixing in Frankfurt, slightly down from Tuesday's figure of DM 2.3730. In quiet trading it lost ground against D-Mark on lower U.S. interest rates and *rumours of a possible Arab oil* embargo on the U.S. However, the dollar retained a firm undertone. The D-Mark improved against most currencies. Sterling fell to DM 4.6550 from DM 4.6830 and the Belgian franc eased to DM 6.1180 from DM 6.1270 per BFr 100. The French franc was also lower at DM 42.065 compared with DM 42.1950 while the Swiss franc improved to DM 1.1353 from DM 1.1345.

BELGIAN FRANC — Weakest member of the EMS once again, now that the French franc has shown signs of stabilising. However, the Belgian currency remains within its divergence *limit against the ECU and this* has allowed the authorities to reduce interest rates in recent weeks — The Belgian franc showed mixed changes at yesterday's fixing in Brussels. The dollar fell to BFr 38.7875 from BFr 38.9575 while sterling rose to BFr 76.32 from BFr 76.03. Within the EMS the D-Mark fell *to BFr 16.3440 from BFr 16.3455* and the French franc was lower at BFr 6.875 compared with BFr 6.89. Meanwhile figures released yesterday showed that the Belgian National Bank spent BFr 3.17bn last week to stabilise the foreign exchange market. The Bank pointed out that this amount represented smoothing *operations since the Belgian* franc was under no great pressure within the EMS.

THE POUND SPOT AND FORWARD

June 10	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.9575-1.9730	1.9710-1.9720	0.97-1.07c dis	−6.21	2.28-2.38dis	−4.73
Canada	2.3620-2.3890	2.3675-2.3685	1.63-1.73c dis	−8.51	3.80-3.95dis	−6.54
Nethlnd.	5.16-5.21	5.19½-5.20½	¼c pm-⅛ dis	−0.29	1⅛-⅜ pm	0.67
Belgium	76.00-76.40	76.20-76.30	30-40c dis	−5.51	75-85 dis	−4.20
Denmark	14.61-14.69	14.68-14.69	4⅛-6⅜ore dis	−4.34	11⅛-13⅛ dis	−3.34
Ireland	1.2705-1.2820	1.2796-1.2805	0.28-0.42p dis	−3.33	0.82-1.05dis	−2.92
W. Ger.	4.64-4.68½	4.67-4.68	par-⅛pf dis	−0.64	⅞ pm-⅛ dis	—
Portugal	123.50-125.30	123.90-124.10	55-120c dis	−8.47	135-300 dis	−7.02
Spain	185.70-186.90	186.50-186.70	135-165c dis	−9.65	345-385 dis	−7.82
Italy	2,318-2,336	2,329-2,331	24-26 lire dis	−12.87	64½-67½dis	−11.33
Norway	11.53-11.66	11.61½-11.62½	1-2¼ore dis	−1.68	⅞-1¾ dis	−0.43
France	11.06-11.13	11.08-11.09	15-16c dis	−16.78	28¾-30¼dis	−10.64
Sweden	9.92½-9.97½	9.93½-9.94½	3⅞-4ore dis	−4.68	7¼-8¼ dis	−3.09
Japan	442-450	444-445	1.80-1.45y pm	4.39	5.90-5.50 pm	5.13
Austria	32.87-33.27	33.00-33.06	3gro pm-2 dis	0.18	11-1 pm	0.73
Switz.	4.09-4.13	4.11-4.12	1⅛-⅞c pm	2.19	3⅛-2⅝ pm	2.67

Belgian rate is for convertible francs. Financial franc 77.70-77.80. Six-month forward dollar 3.10-3.20c dis, 12-month 4.65-4.85c dis.

THE DOLLAR SPOT AND FORWARD

June 10	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.9575-1.9730	1.9710-1.9720	0.97-1.07c dis	−6.21	2.28-2.38dis	−4.73
Ireland†	1.5300-1.5430	1.5365-1.5385	0.30-0.40c dis	−2.73	0.60-0.80dis	−1.82
Canada	1.2010-1.2057	1.2025-1.2028	0.08-0.12c dis	−1.00	0.27-0.32dis	−0.98
Nethlnd..	2.6330-2.6430	2.6380-2.6390	1.30-1.20c pm	5.68	3.56-3.45 pm	5.31
Belgium	38.65-38.79	38.66-38.68	5-2½c pm	1.18	9-5 pm	0.72
Denmark	7.4350-7.4600	7.4450-7.4475	0.55-0.30ore pm	0.68	2.65-2.15 pm	1.29
W. Ger.	2.3630-2.3830	2.3720-2.3730	1.06-1.00pf pm	5.21	2.80-2.74 pm	4.67
Portugal	62.80-63.30	62.85-63.00	par-30c dis	−2.86	par-80 dis	−2.54
Spain	94.45-94.80	94.70-94.75	20-30c dis	−3.17	70-90 dis	−3.38
Italy	1,181½-1,183½	1,182½-1,183½	5-6 lire dis	−5.58	16-18 dis	−5.75
Norway	5.8700-5.8980	5.8960-5.8880	2-1½ore pm	3.57	6-5½ pm	3.91
France	5.6200-5.6600	5.6200-5.6250	4-5c dis	−9.59	7-8 dis	−5.33
Sweden	5.0450-5.0620	5.0475-5.0500	0.75-0.55ore pm	1.54	2.10-1.90 pm	1.58
Japan	225.00-227.50	225.20-225.30	2.05-1.80y pm	10.52	5.65-5.50 pm	9.90
Austria	16.73-16.77	16.74¾-16.75¾	9.30-7.80 pm	6.12	24¼-20¾ pm	5.31
Switz.	2.0820-2.0950	2.0870-2.0880	1.44-1.34c pm	7.99	3.82-3.70 pm	7.20

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

June 10	Bank of England Index	Morgan Guaranty Changes%
Sterling	95.0	−29.5
U.S. dollar	108.5	+2.3
Canadian dollar	87.7	−17.4
Austrian schilling	111.8	+21.1
Belgian franc	105.5	+9.0
Danish kroner	86.2	−11.6
Deutsche mark	117.1	+38.5
Swiss franc	134.3	+79.1
Guilder	108.5	+14.1
French frank	83.2	−11.3
Lira	57.5	−55.7
Yen	142.1	+36.5

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

June 9	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	12	0.590128	0.542756
U.S. $	14	1.15252	1.05702
Canadian $	19.10	1.39028	1.27318
Austria Sch.	6¾	19.5583	17.8319
Belgian F.	15	44.8993	41.3558
Danish K.	11	8.77990	7.98040
D mark	7½	2.73495	2.53156
Guilder	9	3.05764	2.81801
French Fr.	9½	6.53018	5.99339
Lira	19	1369.19	1261.65
Yen	6¼	264.158	240.070
Norwgn. Kr.	9	6.90590	6.29719
Spanish Pta.	8	109.720	100.681
Swedish Kr.	12	5.91877	5.39036
Swiss Fr.	5	2.42778	2.22608
Greek Dr'ch.	20½	(u)	61.9415

OTHER CURRENCIES

June 10	£	$		£ Note Rates
Argentina Peso	8490-8510	4323-4333	Austria	32.65-33.00
Australia Dollar	1.7385-1.7425	0.8830-0.8835	Belgium	77.00-77.80
Brazil Cruzeiro	172.17-173.17	87.70-88.14	Denmark	14.55-14.70
Finland Markka	8.729-8.747	4.4530-4.4550	France	11.00-11.10
Greek Drachma	112.197-115.814	57.65-57.85	Germany	4.64-4.68
Hong Kong Dollar	10.83-10.85	5.5120-5.5160	Italy	2280-2330
Iran Rial	155.90*	78.80*	Japan	444-450
Kuwait Dinar(KD)	0.547-0.553	0.2802-0.2805	Netherlands	5.16-5.19
Luxembourg Frc.	76.20-76.30	38.66-38.68	Norway	11.50-11.62
Malaysia Dollar	4.6325-4.6425	2.3585-2.3605	Portugal	118-121
New Zealand Dlr	2.2995-2.3045	1.1675-1.1685	Spain	179½-190¾
Saudi Arab. Riyal	6.63-6.69	3.3990-3.4020	Sweden	9.88-9.98
Singapore Dollar	4.2325-4.2425	2.1540-2.1560	Switzerland	4.08-4.12
Sth African Rand	1.7085-1.7105	0.8665-0.8675	United States	1.95½-1.97
U.A.E. Dirham	7.15-7.23	3.6700-3.6730	Yugoslavia	72-83

Rate given for Argentina is free rate. * Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU June 10	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7985	41.3346	+1.31	+1.31	±1.5361
Danish Krone	7.91917	7.94666	+0.35	+0.35	±1.6413
German D-Mark	2.54502	2.52848	−0.65	−0.65	±1.1386
French Franc	5.99526	6.01718	+0.37	+0.37	±1.3638
Dutch Guilder	2.81318	2.81469	+0.05	+0.05	±1.5159
Irish Punt	0.685145	0.692227	+1.03	+1.03	±1.8688
Italian Lira	1262.92	1259.19	−0.30	−0.30	±4.1116

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

June 10	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.972	4.675	444.5	11.085	4.115	5.200	2330.	2.368	76.25
U.S. Dollar	0.507	1.	2.371	225.5	5.625	2.087	2.638	1182.	1.201	38.68
Deutschemark	0.214	0.422	1.	95.08	2.371	0.880	1.112	498.4	0.507	16.31
Japanese Yen 1 000	2.250	4.435	10.52	1000.	24.94	9.258	11.70	5242.	5.327	171.5
French Franc 10	0.902	1.779	4.217	401.0	10.	3.712	4.691	2102.	2.136	68.79
Swiss Franc	0.243	0.479	1.136	108.0	2.694	1.	1.264	566.2	0.575	18.53
Dutch Guilder	0.192	0.379	0.899	85.46	2.132	0.791	1.	448.1	0.455	14.66
Italian Lira 1,000	0.429	0.846	2.006	190.8	4.758	1.766	2.232	1000.	1.016	32.73
Canadian Dollar	0.422	0.833	1.974	187.7	4.681	1.738	2.196	984.0	1.	32.20
Belgian Franc 100	1.311	2.586	6.131	583.0	14.54	5.397	6.820	3056.	3.106	100.

FT LONDON INTERBANK FIXING (11.00 a.m. JUNE 10)

3 months U.S. dollars		6 months U.S. dollars	
bid 17 5/16	offer 17 7/16	bid 16 5/8	offer 16 3/4

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

June 10	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	9-9½	18¼-18½	18¾-19¼	11¼-11½	4-4½	10⅞-11	20-22	20-30	13-15	6-6¼
7 days' notice	10-10½	18½-18¾	18¾-19¼	11⅛-11¾	3½-4	11 1/16-11 7/16	22-24	27-29	13-15	6⅜-6⅝
Month	11½-11⅝	17⅛-17⅜	19-19⅜	11⅞-12	9⅛-9¼	12¼-12⅜	24½-26½	23½-24¼	16-16½	7-7¼
Three months	12 9/16-12¾	17⅛-17⅜	18⅝-18⅞	11 13/16-12 1/16	9⅛-9⅛	12⅜-12¾	22½-24	23½-24¼	16¼-16¾	7⅜-7⅝
Six months	13⅛-13¼	16½-16¾	18-18⅜	12-12⅛	10 1/16-10 1/16	12⅞-13	21-22	23-23¾	16½-17	7⅝-7⅞
One Year	13⅜-13⅝	16-16¼	17-17⅜	12-12⅛	9⅞-9⅞	12⅞-13	19-20	22¾-23½	15¾-16¼	8¼-8⅝

SDR linked deposits: one-month 15 13/16-15 7/16 per cent; three-months 16-15⅜ per cent; six-months 14 21/32-15 1/16 per cent; one-year 14 3/16-14 21/32 per cent.
ECU linked deposits: one-month 15 5/16-15 13/16 per cent; three-months 15⅛-15⅝ per cent; six-months 15 1/16-15 7/16 per cent; one-year 14¾-15 per cent.
Asian $ (closing rates in Singapore): one-month 17¼-17⅜ per cent; three-months 17⅛-17¼ per cent; six-months 16 9/16-16 11/16 per cent; one-year 16-16⅛ per cent.
Long-term Eurodollar two years 15¾-16 per cent; three years 15¾-16 per cent; four years 15¾-16 per cent; five-years 15¾-16 per cent; nominal closing rates.
Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice.
The following nominal rates were quoted for London dollar certificates of deposit: *one-month 17.80-17.90 per cent; three-months 16.95-17.05 per cent;* six months 16.15 per cent; one year 15.70-15.80 per cent.

INTERNATIONAL MONEY MARKET

German rates steady

Interbank money rates showed little change in Frankfurt yesterday. Rumours on Tuesday that the Bundesbank was about to call a special meeting of the central council to discuss emergency support measures for the D-mark proved unfounded. Call money yesterday was quoted at 11.95 per cent just below the special Lombard rate of 12 per cent, the latter facility being kept open by the authorities. Longer term rates were unchanged on balance.

In Amsterdam the Dutch Finance Ministry announced that it would accept subscriptions today for an issue of five-year Treasury paper priced at par. *The rate of interest rate will be* announced later, with payment due tomorrow. In the money market call money was quoted at 11.25-11.5 per cent down from 11.375-11.50 per cent on Tuesday while longer term rates were also easier by up to a quarter of a point.

In Singapore Overseas Chinese Banking Corp. increased its prime rate to 13 per cent from 12½ per cent, bringing it in line with the other three major Singapore banks. Short term money has been very tight just recently and the authorities probably intervened in the market after call money had been quoted as high as 50 per cent at times.

MONEY RATES

NEW YORK	
Prime Rate	19½-20
Fed. Fund	16½-16⅞
Treasury Bills (13-week)	14.65
Treasury Bills (26-week)	13.82
GERMANY	
Special Lombard	12.00
Overnight Rate	11.95
One month	12.85
Three months	13.20
Six months	13.30
FRANCE	
Intervention Rate	22
Overnight Rate	20
One month	19.625
Three months	19.5625
Six months	18.0
JAPAN	
Discount Rate	6.25
Call (Unconditional)	7.125
Bill Discount (three-month)	7.46875

UK MONEY MARKET

Full supply

Bank of England Minimum Lending Rate 12 per cent (from March 10 1981)

Day to day credit was in good supply in the London money market yesterday and the authorities drained the surplus by selling a large amount of Treasury bills split between discount houses and banks. The market was helped by a moderate excess of Government disbursements over revenue transfers to the Exchequer and banks brought forward balances a small way above target. There were no appreciable factors on the other side. Discount houses were paying 7-8 per cent for secured call loans for most of the day.

Interest rates were sharply weaker following Tuesday's banking figures. Three-month sterling CDs fell to 12⅞ per cent from 12 13/16 per cent and three-month eligible bills were quoted at 12⅛ per cent compared with 12⅝ per cent.

In the interbank market overnight money traded between 8 per cent and 9 per cent and touched a low of 6½ per cent before finishing at 9 per cent.

LONDON MONEY RATES

June 10 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills	Eligible Bank Bills	Fine Trade Bills
Overnight	—	6½-9	1-10	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 days notice	—	—	10½-10¾	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days or	—	—	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days notice	—	9¾-10¼	11-11½	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One month	11⅝-11½	11 9/16-11⅞	11½-11¾	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	12¼-12 7/16	12¼-12½	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	12½-12⅝	12½-12⅞	12⅝	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	12⅞-12 13/16	12 13/16-13¼	13⅛	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	13-12⅞	13⅛-13 1/16	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	13⅛-13	13 1/16-13⅝	13⅝	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two years	—	—	13⅞	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Local authorities and finance houses seven days' notice, others seven days' fixed. [illegible] rates nominally three years 14 per cent; four years 14 per cent; [illegible] buying rates for prime paper. Buying rates for four-month bank bills [illegible] Approximate selling rate for one-month Treasury bills [illegible]

GOLD

Firmer tendency

Gold rose $9 an ounce in the London bullion market yesterday to close at $464-467. It opened at the same level and was fixed at $463.25 in the morning and $465.25 during the afternoon. Interest in the metal was partly a reflection of a lower dollar and a half point cut in U.S. prime rates to 19½ per cent.

In Paris the 12½ kilo bar was fixed at FFr 95,100 per kilo ($524.17 per ounce) in the afternoon compared with FFr 95,100 ($524.12) in the morning and FFr 97,500 ($535.22) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 35,240 per kilo ($463.25 per ounce) against DM 36,150 ($465.02) previously and closed at $464-467 compared with $459-462 on Tuesday.

In Zurich gold finished at $464-467 per ounce against $460-$463.

	June 10		June 9	
Gold Bullion (fine ounce)				
Close	$464-467	(£236-237½)	$455-458	(£235-236½)
Opening	$464-467	(£235¾-237¼)	$463-466	(£239-240½)
Morning fixing	$463.25	(£235.751)	$463	(£238.783)
Afternoon fixing	$465.25	(£236.684)	$460.5	(£236.883)
Gold Coins				
Krugerrand	$479-480	(£243½-244)	$471½-472½	(£243-243½)
1/2 Krugerrand	$247-248	(£125½-126)	$243-244	(£125¼-125¾)
1/4 Krugerrand	$126-127	(£64-64½)	$124-125	(£64-64½)
1/10 Krugerrand	$51½-52½	(£26-26½)	$49½-50½	(£25½-26)
Mapleleaf	$470-472	(£239-240)	$461-463	(£237¾-238¾)
New Sovereigns	$116½-117¼	(£59¼-59¾)	$114¾-115½	(£59-59½)
King Sovereigns	$127-129	(£64½-65½)	—	—
Victoria Sovs	$127-129	(£64½-65½)	—	—
French 20s	$120-125	(£61-63½)	$117-125	(£60¼-63½)
50 pesos Mexico	$576-583	(£293-296½)	$566-573	(£291¾-295½)
100 Cor. Austria	$445-452	(£225¾-230)	$439-445	(£226¼-229¼)
$20 Eagles	$578-582	(£294-296)	$574-579	(£295-298½)

WORLD STOCK MARKETS

Dow little changed at 1pm

STOCKS REMAINED firm in active trading at mid-session, although the market was weakening from its highest levels.

The market reacted favourably to the cut in prime rate to 19½ per cent initiated by Marine Midland Bank. A smaller bank, UMB Bank and Trust Company, also lowered its rate to 19½ per cent.

The Dow Jones Industrial Average was off 0.37 at 994.07 at 1 pm. Advances led declines by three to two on volume of 26m shares (23m). The NYSE All Common Index was up 0.15 at $76.69.

Concerns about what actions Arab nations might take in response to Israel's bombing of an Iraqi nuclear installation remained in the background.

Interest rate-sensitive stocks were strong, reflecting the rally in the credit markets yesterday. Among Bank issues, active Bankamerica gained ½ to $26. A block of 240,000 shares traded at $26.

Chase Manhattan rose ¼ to $53⅞, J. P. Morgan 1⅛ to $61, Chemical ¼ to $56¾ and Citicorp ¼ to $28¾.

American Express added 1⅞ to $52 in active trading, while IBM, also active, put on ⅞ to $57⅞. Data General, which announced on Tuesday that it had lost an antitrust suit, fell 4½ to $55⅛.

THE AMERICAN SE Market Value Index was 1.07 higher at 366.46 at 1 pm on volume of 3.77m shares (3.38m).

Volume leader International Banknote gained ⅛ to $5⅞. Dome Petroleum eased ⅛ to $17¼ and Wang Laboratories ½ to $38⅛.

Canada

The market was higher at mid-session on moderately active volume.

The Composite Index gained 7.92 to 2335.38 at 1 pm on volume of 2.66m shares (2.9m).

Oils, Golds and Communications showed good gains.

Alberta and Ottawa are holding talks in Banff, Alberta, to try and resolve their energy pricing and revenue sharing disputes.

Hiram Walker Resources added one to C$30⅞ in heavy trading. Dome Petroleum was up ⅛ to C$21⅞ and Hudson Bay Oil ¼ to C$35⅛.

Hong Kong

Stocks closed the half-day session mostly firmer in moderately active trading. The Hang Seng Index rose 16.18 to 1,734.25, an eight-year high.

Among leading stocks, Cheung Kong gained 50 cents to HK$33, Hongkong Bank 20 cents to HK$17, Hutchison Whampoa 60 cents to HK$20.80 and Jardine Matheson 10 cents to HK$25.80.

Hongkong Electric lost 10 cents to HK$6.90 and Hong Kong Wharf 10 cents to HK$8.60 while Hongkong Land and Swire Pacific "A" were unchanged at HK$12.00 and HK$20.20 respectively.

Dealers expected the market to fluctuate in the near future before establishing a more solid trading base around the 1,700 level.

Hongkong Bank's partly-paid ordinary rights shares started trading yesterday and closed at HK$11.30/40 after early indications of HK$11.20/40.

Tokyo

The Nikkei Dow Jones Market Average gained 109.25 points, the second largest daily rise this year, to close at 7,484.52 with investors encouraged by the yen's partial recovery against the dollar.

Trading was slow with volume 330m shares as many dealers awaited further indication of a return of foreign investment. The Tokyo Stock Exchange Index added 9.08 to 557.14.

Autos rose sharply with Toyota up Y150 to Y1,200, Honda Y130 to Y1,180, Nissan Y96 to Y959 and Suzuki Y45 to Y543, encouraging Light Electricals and other Blue Chips.

Oils and Coals rose with Nippon Oil up Y50 at 1,000. Non-Ferrous Metals fell on profit-taking with Dowa Mining down Y11 to Y340.

Optical Fibre and Industrial Robot Makers were higher, led by Yasukawa Electric gaining Y30 to Y494 on buying by Hong Kong investors. Heavy Electric Machines, Shipbuildings and Steels also firmed in light trading, with Toshiba up Y9 to Y385, Hitachi Shipbuilding Y6 to Y217 and Sumitomo Metal Y3 to Y257.

Precisions, Communications, Drugs, Electric Powers and Foods gained. The second market closed slightly higher.

Australia

Indications of rising domestic interest rates, a levelling off of international gold prices and a bout of financial year-end tax-squaring sent stocks into a sharp decline.

Oils were particularly hard hit on predictions that world crude prices could continue to decline. The Oils Index lost 17.7 points to 875.6 and the All Ordinaries Index 8.6 to 703.1.

Vamgas lost 90 cents to A$12.90 after news that the closely watched Blina No. 1 Well had failed to encounter hydrocarbons at total depth. Woodside lost 4 cents to A$.04 and Santos 20 cents to A$6.50.

Pancontinental dropped 40 cents to a year's low of A$6.50. Elsewhere BHP lost 30 cents to A$14.95; CSR 6 cents to A$6.46, WMC 20 cents to A$5.30, MIM 20 cents to A$4.65, CRA 2 cents to A$4.58, Peko 6 cents to A$8.70 and Queensland Mines 40 cents to A$11.60.

Among Non-Mines, ICI shed 3 cents to A$2.10 after reporting a 35.7 per cent fall in interim profit to A$18.99m.

Singapore

Prices closed higher on continued buying support in selective active trading. The Straits Times Index rose 13.44 to a record 912.78.

Guthrie Bhd resumed trading to end 52 cents higher at S$4.76 compared with its pre-suspension price. Guthrie Corp. has announced that it will sell its entire 73 per cent interest in Guthrie Bhd to Multi-Purpose Holdings Bhd for S$4.175 a share cash.

Germany

Leading shares maintained early gains and closed firmer, with the Commerzbank index rising 0.8 to 716.10.

Trading was lively, with foreign investors in evidence. There were no particular factors, although yesterday's weaker dollar may have prompted some of the buying.

KHD was prominent in higher Engineerings, rising DM 6 to DM 196.50 after reaching a peak of DM 198 on speculation of a solution to KHD's problems with Fiat over Iveco.

In higher Autos, Daimler was up DM 6.50 at DM 323.50, while VW gained DM 1.70 and BMW DM 0.50 to DM 158.50 and DM 185.50 respectively. News of agreement on Japanese car exports to West Germany had little impact on VW, the company most directly affected.

Paris

Prices tended mixed in quiet trading with a firmer bias as institutional investors stepped in to halt the market's slide.

Oils featured prominently with Esso Saf up FFr 11 at FFr 161 after announcing sharply higher group net 1980 profits, while Elf Aquitaine added FFr 30 to FFr 620.

Others areas to firm included Electricals, where Alsthom Atlantique rose FFr 1.9 to FFr 91.9 and Thomson Brandt FFr 5.5 to FFr 173.

Most other sectors traded mixed, although Cars, Transport and Public Services weakened.

Johannesburg

Golds closed easier in quiet trading, despite the firm bullion price. Losses outnumbered gains by almost three to one, but declines were generally small, although Hartles fell R4.75 to R65. Mining Financials were steady but Diamonds had De Beers down five at R9.05.

NEW YORK

CANADA

Stock	June 9	June 8
Abitibi	26⅞	26¾
Agnico Eagle	11⅝	11⅝
Alcan Alumin	39¼	39⅜
Algoma Steel	48	48
Asbestos	38½	38¾

BELGIUM (continued)

June 10	Price Frs.	+ or —
Petrofina	3,840	+45
Royale Belge	5,750	—50
Soc Gen Banq.	1,600	—50
Soc Gen Belge	878	—12
Sofina	2,010	—140

HOLLAND

June 10	Price Fls.	+ or —
ACF Holding	79.40	—0.80
Ahold	69.20	+0.20
AKZO	25.10	+0.50
ABN	280	
AMEV	88.70	—1.40

AUSTRALIA

June 10	Price Aust. $	+ or —
ANZ Group	5.08	—0.04
Acrow Aust	1.40	+0.04
Allstate Expl	0.80	
Ampol Pet	1.60	
Assoc. Pulp Pap.	2.30	
Aud'meo	0.23	

JAPAN (continued)

June 10	Price Yen	+ or —
Kubota	344	
Kumgaai	332	+2
Kyoto Ceramic	4,380	+200
Lion	392	+10
Maeda Cons.	525	
Makita	867	+2

DENMARK

FRANCE

GERMANY

AUSTRIA

BELGIUM/LUXEMBOURG

ITALY

NORWAY

SWEDEN

SWITZERLAND

HONG KONG

JAPAN

SINGAPORE

SOUTH AFRICA

Financial Rand US$0.83 (Discount of 27¼%)

BRAZIL

Indices

NEW YORK

DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

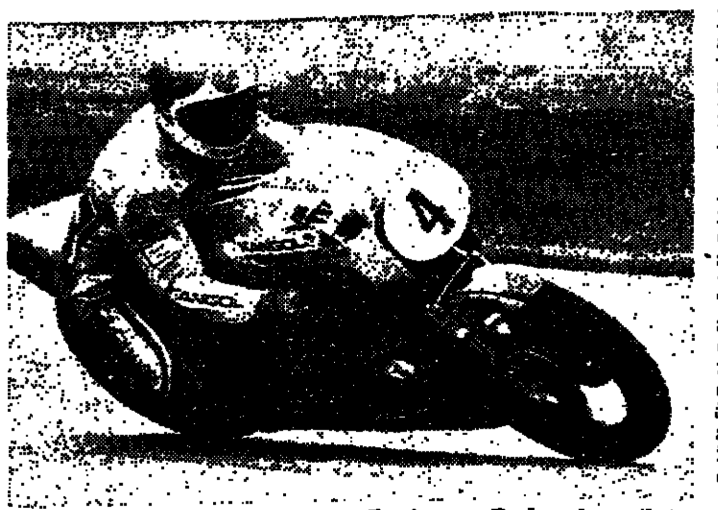
MONTREAL

TORONTO

NEW YORK ACTIVE STOCKS

Alan Wraight looks at Armstrong's plans for high-volume motorcycle production

The British are back in the race



Harry Hooper (left); another win for Armstrong in March at Donington Park, where the 250 cc model was *ridden by Clive Horton*

THERE HAS been a marked brightening of outlook in the British motorcycle industry of late. The gloom and doom of the recent past seems to be lifting, with first Hesketh and then Waddon announcing new models in a blaze of well orchestrated publicity. But more interesting still comes the news that Barry Hart of Barton Engineering, which develops racing engines for motorcycles, is developing 250, 350, 500 and 750cc engines for Armstrong Equipment, the large Northern-based automotive products group. These will be used to power a range of new all-British racing machines.

Unlike Hesketh and Waddon, Armstrong has been somewhat reticent in revealing its motorcycle manufacturing plans. It has instead chosen the quiet approach to what for some years now has seemed unthinkable in this country—high-volume bike production.

This would be well within its manufacturing capacity and a logical move. The car industry, which the company serves as an automotive component supplier, is currently going through a lean patch and Armstrong's group pre-tax profits for the six months to December 28 1980 tumbled from £4.39m to £741,000, on reduced turnover of £48.85m against £56.87m. Also the downturn in car component demand has resulted in considerable redundancies and factory closures.

Yet, boosted by rising petrol costs, the UK motorcycle market is one of the few sales sectors that has shown any real growth recently. In 1980 sales recorded their second best year ever, and they are still increasing. To tap this revenue source with an all-British bike one would have to be in a position to produce engines cheaply, and Mr. Harry Hooper, Armstrong's chairman, says it is well within his company's capacity to do so. It has a wealth of advanced machinery capable of being adapted easily to produce engine-gearbox units on a cost competitive basis — the cost competition, of course, coming from Japan.

There is to be no heavy initial investment in motorcycle *manufacture, however.* With an initial investment of only £200,000, the aim is for steady development in a way which will not place too much strain on Armstrong's financial resources. In what Mr. Hooper describes as a "fail-safe" *strategy, the first move* will be to try out and develop machines on the race track. On the back of this, some 1,000 replicas will be built and marketed in the UK and Europe. This batch of bikes is likely to be *£200-£300* more expensive than their *Japanese counterparts, but Mr.* Hooper predicts that as production rises so costs will fall.

Armstrong began to show an interest in the motorcycle industry last year, with a bid to take over the troubled Meriden concern, Triumph. However, when the Government refused at that time to waive the co-operative's £12m debt — mostly owed to the Export Credit Guarantee Department — the deal fell through.

Following this, the company has put together what it refers to as a high-quality package of British motorcycle engineering talent. In December last year CCM (Clews Competition Motorcycles), which won in 1978 a Queen's Award to Industry, came to Armstrong. In addition, the assets of Cotton, an old established motorcycle manufacturer which had fallen into the hands of the receiver owing around £250,000, were bought. On top of this, the group has acquired the services of top designer Mike Eatough and has now gained the engine development expertise of Barry Hart.

It is an impressive line-up, which has begun work on the first phase of Armstrong's production programme, upon which a two-year time scale has been placed. Cotton machines, powered by Austrian Rotax engines, finished first, second and third in Britain's top 250 cc championship — the Vladivar Vodka series — last year, while a sidecar outfit fitted with one of Mr. Hart's Barton power units came second in the 1980 Isle of Man TT—being clocked as the fastest machine through the speed trap.

The current year has also started on a promising note, with a good showing in the 250cc event at Daytona in the U.S. Armstrong financed the entry of three of its machines under the banner of Randle Racing—run by Ruth Randle, the only woman team manager in the sport. Jeff Sayle finished fifth and Clive Horton took a tumble while lying sixth. A creditable performance in a race traditionally dominated by home-based riders, and one that showed Armstrong's racers to be competitive against the best that Japan has to offer.

These bikes were powered by Rotax's ubiquitous disc-valve in-line twin, housed in a frame, and with *radical* suspension, designed by Mr. Eatough. Mr. Hart's job is now to come up with an engine to equal if not better that of the Austrian concern. Mr. Hooper reports that all engines, which may even include a 125 cc version, will *be ready by the end of this* year and that the 350 cc unit, now approaching race readiness, has shown itself to be extremely competitive.

So the signs for the new all-*British racer* are hopeful and, although the present state of the economy might appear to be against any start-up of road bike production, Mr. Hooper believes the company's sense of timing to be reasonable. He feels a British-built motorcycle will *have a special appeal, and says* it is well within Armstrong's capacity comfortably to hold a strong position in the market place. He thinks Hesketh's new 750 cc V-twin, which will retail at around £4,400, may be too expensive. In addition, he states, *the fall in the value of sterling* could have the effect of increasing the marketability and profitability of the group's machines in Europe by as much as 20 per cent.

When, in 1975, the Boston Consulting Group was called *upon to look into the reasons* for the failure of the British motorcycle industry, it pinpointed the retreat into the superbike sector as a "fundamental mistake." With Mr. Hart working on a full range of power units Armstrong seems *unlikely to fall into this trap.* Its biggest decision however may come if a firm European base is established. As all Barry Hart's engines will be two-strokes, and as U.S. emission regulations more or less dictate the use of four-strokes, any *venture into this most lucrative* of markets would require a major rethink on Armstrong's part.

That is one for the future. Mr Hooper says he will worry about that when and if the time comes. After all the collapse of BSA, Triumph and Norton has shown the folly of placing too much faith in the American sales sector.

For the time being it is on the UK and continental Europe that Armstrong has got its motorcycle manufacturing ambitions focused. Mr Hooper expresses himself a firm believer that any market is viable, and that a product can be produced at a competitive price if the volume is there.

APPOINTMENTS

Two board posts at Boots

The Boots Company has appointed two directors to the board of its retail subsidiary BOOTS THE CHEMIST: Mr P. L. M. Davies and Mr D. Mck. Taylor. Mr Davies assumes the appointment of eastern area director and Mr Taylor has become general manager of a new territory which the company plans to establish in Northern Ireland.

★

Mr Stuart G. Errington, managing director of Mercantile Credit Company and chairman of Barclays Mercantile Industrial Finance has been appointed vice-chairman of the FINANCE HOUSES ASSOCIATION in succession to Mr T. A. O'Malley.

★

Mr Hugh W. Laughland has been appointed a director of THOMAS TILLING. He is a senior member of the Tilling central executive and chairman of a number of Tilling Group subsidiaries. Mr C. A. C. *(Philip)* Bulpitt has retired from Thomas Tilling.

★

Mr Peter West has been elected to the board of TERRAPIN INTERNATIONAL, the parent company of the Terrapin Group.

★

HEWGATE HOLDINGS, Aylesbury-based building construction and refurbishment group, has appointed Mr Keith Foster company secretary and accountant. He joins the company from Anderton Disc Springs (part of Aurora Group Holdings) where he was deputy managing director.

★

Mr Bruce A. Fireman has been appointed to the new post of director with responsibility for strategic planning for CHARTERHOUSE JAPHET. He will advise the board about the future development of the recently enlarged bank, both domestically and internationally.

★

Mr V. L. Horwood, managing director of the Scottish Daily Record and Sunday Mail, has been elected president of THE SCOTTISH DAILY NEWSPAPER SOCIETY and Mr R. Ridley-Thomas, managing director of Aberdeen Journals has been elected vice-president.

★

Mr Peter Ashley Miller has been appointed deputy chairman of ARBUTHNOT INVESTMENT MANAGEMENT SERVICES from July 1.

★

The Hudsons Group has appointed Mr James *W. Lillie to* the main board of HUDSONS OFFSHORE HOLDINGS. He was previously manager of procurement for Fluor (GB).

★

Mr David W. Loo has been appointed a none-executive director of *CARPETS INTERNATIONAL.* Mr Loo is a director of Hong Kong Carpet Manufacturers which holds a 29.9 per cent shareholding in Carpets International.

★

Mr Martin Lampard, senior partner *in the legal firm of* ASHURST MORRIS CRISP AND CO., has been appointed to the board of ALLIED BREWERIES. At the annual meeting on July 21 Mr Neil Salmon and Mr John Dunwell will retire from the board. Mr Salmon has reached normal retirement age but will remain a consultant for J. Lyons and Co. Mr Dunwell leaves the board to concentrate on new overseas responsibilities.

★

Mr Richard Donnell has been made general manager, UNIROYAL PLASTICS EUROPE. He will be responsible for manufacturing, marketing and product development throughout Europe including the Eastern bloc countries.

★

Ms Joan Barrell has been elected to the board of the NATIONAL MAGAZINE COMPANY. She is publisher of The National Magazine's popular monthly, Company Magazine.

★

The Energy Secretary has appointed Mr Ivor Manley, a deputy secretary at the Department of Energy, as a part-time member of the UNITED KINGDOM ATOMIC ENERGY AUTHORITY. Mr Manley succeeds Mr Brian Tucker, a former deputy secretary at the Department of Energy, who has retired.

★

The Prime Minister has appointed Professor John Wilkes as a governor of the MUSEUM OF LONDON in succession to Mr David Wilson.

★

Mr J. Gordon Linacre, joint managing director, has been appointed deputy chairman of UNITED NEWSPAPERS. He continues as managing director of Yorkshire Post Newspapers. Mr K. M. Whitworth has relinquished the vice chairmanship which he has held since 1973 but continues as a director.

★

Mr David Rowland has been appointed chairman of STEWART WRIGHTSON HOLDINGS following the retirement of Mr Gordon Henry.

★

Mr Frederick C. Tucker has been appointed executive director, international, at ABBEY LIFE ASSURANCE COMPANY. He will be a member of the company's senior management committee.

CONTRACTS

£55m orders for Haden Young

HADEN YOUNG, the building, industrial and process engineering subsidiary of Haden Carrier, is to receive mechanical engineering orders worth £55m for two nuclear power stations, *at Heysham stage 2 in* Lancashire and Torness in East Lothian. Haden Young will be working at a sub-contractor to Taylor Woodrow Construction on the Heysham project, and to Sir Robert McAlpine and Sons at Torness.

The Heysham and Torness stations, which together will have a capacity of 2640 Mw, are being built for the Central Electricity Generating Board and the South of Scotland Electricity Board respectively, to designs by the National Nuclear Corporation. Haden Young's work is expected to start on site in late 1981 for completion in 1985 and will involve the fabrication of 5,000 tonnes of sheet metal into over 70 miles of ventilation ducting, the fixing of 12 miles of pipework and the installation of hundreds of fans, heater batteries, air filters and valves.

★

The Glasgow office of HUMPHREYS AND GLASGOW SERVICES has won a £45,000 contract from British Rail Engineering for the provision of sound insulation to the diesel *loco test house at the Glasgow* works. The work will be carried out in July.

★

The industrial division of BRITISH BROWN-BOVERI has received an order worth over £1m for electrical power and control equipment for phase I and II of the Gascoigne Wood coal handling plant — part of the National Coal Board's Selby project. The contract was placed by Adamson-Butterley, the main contractors. Under the terms of this contract, British Brown-Boveri will design, supply and install 3.3 kv power distribution and motor control gear, 415 volt auxiliaries, lighting and services, central computer and data transmission systems, programmable logic controllers for plant control sequencing, and conveyor protection, fire alarms and communication systems.

★

A contract has been awarded to ICL AUSTRALIA by Colonial Mutual Life Assurance Company. Valued at more than £3m, it covers equipment and associated software for Australia and New Zealand. In Australia an ICL dual 2966 configuration including 16 megabytes of memory, 5.6 gigabytes of disc memory and 160 terminals will replace the Society's present Burroughs dual B6700. The first 2966 will be installed in August and the second in March 1982. An ICL 2955 wil be installed in Wellington, New Zealand, in March 1982 to takeover work currently being carried out by a bureau. It will *utilise ICL's* recently announced VME/B-E operating system.

★

BABCOCK POWER has won an order worth about £400,000 for two cyclonic separator vessels for Total Oil Marine operations in the Frigg Field. The 83 mm *thick vessels, each 14.2 metres* long and 2.1 metres internal diameter, and each weighing 65 tonnes, will be manufactured at Babcock Power's Renfrew works. The vessels are for delivery in January, 1982. The order was placed by Paladon Engineering, *Northampton.*

★

GOR-RAY has placed a £127,000 order with HONEYWELL for a new-technology DPS 4 business computer. The Honeywell system will enable it to become fully communications oriented and to offer extensive on-line services to its wide range of bureau users —from fashion houses to credit card companies to engineering.

★

BRISTOL ABATTOIR EQUIPMENT COMPANY has a £300,000 contract with Alec Jarrett, Oldland Common, near Bristol. As turnkey contractor, Bristol Abattoir Equipment Company is constructing four new chill-rooms to serve Jarrett's existing EEC abattoir and meat plant complex. Of these, three will create a combined capacity to chill an extra 350 beef carcases per day. The fourth will have a capacity of 2,500 boxes of vacuum-packed beef cuts.

★

Following successful field trials of four units specially designed and built by ROLLING TRANSPORT SYSTEMS, Alcan have confirmed a £100,000 contract for a further 31 60 ft semi-trailer units. The RTS Group will supply the trailers to Alcan heavy plate division at Kitts Green, Birmingham, where the 20 ton capacity trailers will be used for specially formulated aluminium alloys - including armour plating to Ministry of Defence specifications.

★

Sentry Insurance Management, who are moving from London to Milton Keynes, has ordered a £197,139 telephone system from TELEPHONE RENTALS. The digital electronic PDX (private digital exchange) system incorporating stored programme control will be used in an 82,000 *sq ft office still being built at* Avebury Boulevard, Milton Keynes. Initially the system will have 224 extensions but will have the capacity for several hundred more to provide for anticipated growth.

EEC sugar subsidy raised

By Our Commodities Staff

THE EEC Commission raised the subsidy on EEC sugar exports yesterday reflecting the decline in world values over the previous week. At its regular weekly tender in Brussels it set a maximum export rebate on white sugar of 14.682 European currency units per 100 kilos compared with 11.02 ECUs last week. Export licences were granted on 52,400 tonnes of whites, up from 43,250 tonnes.

No licences were granted for raw sugar but a maximum rebate of 12.84 ECUs was set.

On the London futures market meanwhile prices recovered a little following Tuesday's sharp decline. The October position ended the day £1.925 up at £215.575 a tonne.

Brazil has made sugar sales over the last month or so of between 285,000 and 330,000 tonnes for shipment late this year and in 1982, according to local traders, Reuter reports from Rio de Janeiro.

Around 245,000 tonnes were sold to trading houses along with an additional quantity of whites, and about 40,000 tonnes went to two U.S. refineries. The traders were commenting on New York market reports that Brazil sold 200,000 to 250,000 tonnes of raws in recent days.

Soviet cotton crop behind schedule

WASHINGTON — Development of the 1981 USSR cotton crop is 10 to 12 days behind normal and prospects for a repeat of the record 1980 crop have decreased further because of cold, rainy weather, the U.S. Agriculture Department's counsellor in Moscow said in a report.

In the report, said USSR publications have said cotton has been sown on 3.1m hectares compared to 3.147m in 1980 and 3.09m in 1979.

In San Salvador, meanwhile, the National Association of Private Enterprises said El Salvador's cotton production for the 1980-81 crop year has dropped dramatically because of violence sweeping the country—and a shift in government emphasis to growing more cereals.

Production for 1980-81 is not expected to exceed 105,000 bales compared with 285,000 bales in 1979-80.

Ivory Coast predicts record cocoa crop

BY OUR COMMODITIES STAFF

THE Ivory Coast will produce a record 400,000 tonnes of cocoa in the 1980-81 season, Mr Denis Bra Kanon, the country's Agriculture Minister, forecast yesterday. But he added that plans to boost production further were being cut back in view of depressed world prices.

Last year the Ivory Coast cocoa crop totalled 373,000 tonnes.

Mr Bra Kanon said the area planted with cocoa in the Ivory Coast had been rising at the rate of 25,000 hectares a year, but this would be slowed down to 10,000 hectares with preference given instead to growing more food crops.

Cocoa prices, which this week fell to the lowest levels for five years, were steadier yesterday with the second position (September) on the London futures market closing marginally up although the July position was slightly lower. Dealers said that a technical reaction, after the recent downtrend, was expected but it was feared that a move to higher levels could well trigger off resumed selling by the producing countries.

The main reason for the price decline recently has been substantial selling by Nigeria, disposing of surplus supplies held back in hopes of higher prices, coming on top of continual selling by the Ivory Coast.

This selling by Ivory Coast into a declining market contrasts strangely with its refusal to join the International Cocoa Agreement because it claims the "floor" prices in the proposed pact has been fixed at too low a level of 110 cents a pound. Current market prices are below 75 cents.

Supporters of the Agreement calculate that producing countries would benefit to the tune of $1bn in the 1981-82 season if the pact was operative, assuming that market conditions remained the same. The Ivory Coast as the biggest producer would stand to gain some $250m alone if the pact was successful in lifting world prices from their current level to the 110 cents floor. Instead the Ivory Coast is seeking to withdraw $50m from the International Cocoa Organisation as its share of the buffer stock fund built up under previous agreements.

There is some doubt as to whether the buffer stock should be distributed in this way since most of the producing countries are in favour of the new agreement. Kurt Waldheim, UN Secretary-General, plans to convene a meeting at the end of this month of the countries who have already ratified the pact, although the date for ratification has been extended until September. Under present circumstances the Ivory Coast would not be eligible to attend the UN meeting nor would the EEC, since West Germany has refused to ratify unless Ivory Coast agrees to join. The U.S. had already indicated it is not prepared to join, since it considers the floor price to be too high.

Some producers are known to be keen to go ahead with the pact, even if the Ivory Coast maintains its refusal to join. But consuming countries are doubtful whether the agreement could be successfully operated with both the biggest producer and consumer countries not joining.

These doubts about the Agreement have further undermined sentiment in a market, already depressed by a huge surplus of supplies and poorer than expected demand because of the industrial recession.

U.S. tin buffer stock proposal

GENEVA—The U.S. has modified its proposal for the full financing of a 50,000 tonne buffer stock under the proposed sixth International Tin Agreement, reports Reuter.

In a contact group meeting the U.S. suggested that instead of delivering cash on request, governments would give the buffer stock manager a "guarantee" that the money was available and he would use this as collateral to borrow from banks.

"The U.S. is floating ideas to find ways of making sure that the huge buffer stock can be properly financed," one delegate commented.

However, Canada and Thailand are among countries which would have difficulty in persuading their treasuries and legislatures to give this sort of guarantee.

Indonesian sources said there are now only marginal differences between the U.S. and producer countries over finance.

But the point at which the international tin council would be empowered to bring in export quotas is still the main issue in dispute.

Bolivia has warned at three previous tin conferences that it cannot accept the present proposals on size of stock, export controls and mechanism for reviewing the price range.

Bolivia also wants to see action to curb the freedom of countries such as the U.S. to dispose of their strategic stockpiles of tin.

Our Commodities Editor writes: Tin prices were easier again on the London Metal Exchange yesterday, following a fall in the Penang market overnight. But the decline was limited by buying interest in late trading and cash tin closed only £45 lower at £6,440 a tonne.

Lead prices were lower on unconfirmed rumours of a strike settlement in the U.S. Meanwhile, Falconbridge of Canada confirmed copper workers at its Opemiska division had ended their one-month strike.

Danes reject EEC farm policy changes

BY HILARY BARNES IN COPENHAGEN

DENMARK will under no circumstances accept changes in the fundamental principles of the EEC's Common Agricultural Policy, the Foreign Minister Kjeld Olesen told Sir Ian Gilmour, Lord Privy Seal, here yesterday.

Sir Ian was here to discuss EEC and other international problems prior to the UK's six-month presidency of the EEC Council starting at the end of this month.

Mr Olesen said that Denmark could accept co-responsibility for production charges to reduce CAP surpluses, but not measures which would hit efficient farmers.

Not support

He also categorically rejected a return to a system permitting national support for agriculture, a return to competition in protectionism which would shake the EEC, he said.

Denmark does not accept the terminology of net budgetary contributions to and from the EEC, said Mr Olesen, which Sir Ian said he was somewhat surprised to hear. Mr Olesen said that the concept of net contributions was incompatible with the fundamental idea of the EEC.

The UK claims that as a country with a relatively low per capita income it is unfair that it should make net contributions to the EEC, while Denmark, a high income country, receives substantial net contributions. "There are two that pay and eight that don't," said Sir Ian (Germany being the other payer). "We have grave doubts about whether one or two should have to pay more than others," he said.

Meanwhile it is calculated that Danish farm incomes fell by 86 per cent while elsewhere in Europe real net incomes fell by 18 per cent.

Total net farm incomes in 1980 were about DKr 6bn compared with DKr 9.7bn in 1978, and the net income from farming as such fell from DKr 6.2bn in 1978 to DKr 1.9bn last year.

There were about 600 foreclosures against Danish farms in 1980 and almost the same number in the first quarter of 1981. It is expected that the number of foreclosures will reach 1,800 this year, and at least twice as many farmers will sell up in order to avoid foreclosure. There were 119,000 farms in 1980, and in relation to the numbers the present crisis has caused more closures than the 1930s crisis. Some experts believe that the present crisis could reduce the number of farms to 70,000-80,000 by the middle of this decade.

Production has not suffered radically from the crisis as yet, but it is stagnating and can be expected to decline when pig production begins to fall later this year. Milk output has fallen by about 2 per cent in both 1979 and 1980. Beef and poultry production was down by 4 per cent in 1979 and 3 per cent in 1980. Pig production will reach a record 14m this year, but the pig census in April showed that the number of sows in pig has fallen by 30,000 to 642,000 since last year and as the financial crisis is currently most acute for the pig farmers this is where production can be expected to decline most in coming months.

Young farmers

The farmers' organisation fears that the effect of the crisis on production can be severe, as the farmers with the biggest debts are the younger farmers, who have invested heavily (too heavily) in recent years and account for a disproportionately large section of total production.

The crisis in Danish agriculture has been caused by the low increases in producer prices under the CAP in recent years, the continued steep rises in costs and an over-optimistic investment programme, especially in the pig sector.

But the crucal factor, which has made the crisis far more serious for the Danish farmers than most others, is the level of Danish interest rates, which on mortgage loans have averaged 18-19 per cent for the past three years. Net interest expenditure by agriculture has risen from Kr 3.4bn in 1977 to Kr 6.9bn last year and will reach Kr 7.3bn thus year, according to official estimates.

In spite of the 10 per cent increase in CAP prices, plus the effect of a 2.5 per cent devaluation of the green Krone, only a very slight improvement, if any, is expected in the economic situation for the farmers this year.

The farmers are meeting the government this week once again to plead for financial assistance from the state. The government has already provided improved credit facilities and special facilities for some of the worst-hit farmers, but since these concessions last December the situation has merely got worse, with a 10-day strike of slaughterhouse workers in May doing serious damage to the prospects of the pig farmers and the Danish import deposits denting the earnings of the beef sector.

"If Danish agriculture is to be preserved it is essential that the government understands the necessity for a thorough restructuring of Agriculture's debt," said H. A. O. Kjeldsen, President of the Agricultural Council, the umbrella organisation for the farmers organisations. The farmers attach crucial importance to be able to obtain credit at lower rates of interest.

Many farmers are in such desperate straits that they will press for drastic protest actions if the government does not meet the farmers' demands. A suspension of milk deliveries is a possible form of action, but the farmers' leaders are keeping their heads cool and are expected to give the government until August, when the summer holiday ends, to come up with the main measures of support which are needed.

Farm sector

Denmark no longer calls itself an agricultural country, but about 32 per cent of its merchandise export income last year came from agriculture, and agriculture employs about 160,000 people on the farms and another 80,000 in related sectors, totalling 240,000, which compares with the 360,000 employed in manufacturing.

With unemployment running close to 10 per cent and a chronic current balance of payments deficit, the country can ill afford to allow its agricultural sector to go into decline, say the farmers.

Community trade tactics attacked

BY PATRICIA NEWBY IN CANBERRA

AUSTRALIA and Argentina will work together to counter the "predatory" trade policies of the European Economic Community, Mr Doug Anthony, Australia's deputy prime minister and minister for trade and resources announced yesterday.

A statement issued in Canberra following a meeting in Buenos Aires between Mr Anthony and Mr Oscar Camilion, Argentina's foreign minister said the two countries had agreed jointly to approach the question of EEC trading policies.

The two countries will collaborate on a complaint to the Council of the General Agreement on Tariffs and Trade on EEC subsidised beef exports which are claimed to be threatening the markets of both Australia and Argentina.

Last year the EEC was the world's second largest beef exporter at 570,000 tonnes, behind Australia at around 950,000 tonnes. The subsidy on the EEC exports is estimated to be around 65 per cent of the price received by Australian producers.

Yesterday's statement by Mr Anthony said the predatory actions of the EEC in placing highly subsidised farm products on world markets were a "vicious violation" of international trading practices.

Mr Anthony's five-day visit to Argentina follows preliminary discussions in Buenos Aires two weeks ago by Australian and Argentine trade officials about proposed action within the GATT on the EEC's subsidised beef exports.

Mr Anthony will go to Brazil later this week to discuss further action against EEC trading policies—this time on sugar. Australia and Brazil have already complained to the GATT that the EEC exports of around 4m tonnes of sugar a year is prejudicing the trade of efficient producers.

Australia hopes to enlist U.S. support for action against EEC practices for disposing of agricultural surpluses created under the Common Agricultural Policy. Mr Anthony will return to Australia via the U.S.

Mr Anthony said the U.S. was becoming more aware that EEC interference in the operations of world commodity markets through subsidised sales was creating false commodity prices and that this was contrary to the philosophy of President Ronald Reagan's Administration.

It was in the interests of all efficient food producers that countries like Argentina and Australia co-ordinate their tactics in meeting the growing threat to world trade in agricultural commodities, Mr Anthony said.

BRITISH COMMODITY MARKETS

BASE METALS

TIN values continued to lose ground on the London Metal Exchange as a decline on the Penang encouraged renewed trade selling and general liquidation which depressed forward metal to £6,480. This level attracted bear covering in a thin market and three months rallied to close the late kerb at £6,545. Other base-metals were little changed. COPPER edged higher owing to currency considerations and closed the late kerb at £892.5, helped by short covering on Comex. LEAD held around the £368 level before coming under pressure on rumours that labour troubles at one of the U.S. producers have been settled. Three months closed at £364.5. ZINC edged higher but again failed to move through the £420 level. ALUMINIUM closed at £661.5 and NICKEL at £3,195.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	862.5-3	+1	867.5-8	+3.5
3 months	886.5-7	+1.25	892-.5	+4
Settlem't	863	+1	—	......
Cathodes				
Cash	857-.5	+1.75	861-.5	+3.75
3 months	877-.5	+1.75	882-.5	+4.5
Settlem't	857.5	+1.5	—	......
U.S. Prod	—		*81.5-6.25	......

Amalgamated Metal Trading reported that in the morning copper cash wirebars traded at £862.5, 63, three months £886.5, 86, 85.5, 86, 86.5. Cathodes, cash £857. Kerbs: Wirebars, three months £887, 87.5, 88. Afternoon: Wirebars, three months £891, 90.5, 91, 92, 92.5. Kerbs: Wirebars, three months £892.5, 92, 91.5, 91, 92, 91, 91.5, 92. Turnover: 17,425 tonnes.

Morning: Standard, cash £6,390, three months £6,550, 40, 30, 20, 15, 10, 05, 6,500, 6,490, 80, 90, 6,500, 05, 08. Kerbs: Standard, three months £6,520, 30, 35, 40, 50, 40, 45, 50. Afternoon: Standard, three months £6,550, 40, 45, 50. Kerbs: Standard, three months £6,540, 45. Turnover: 1,190 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6385-400	—120	6430-50	—45
3 months	6505-8	—126	6550-60	—40
Settlem't	6400	—115	—	......
Standard				
Cash	6385-400	—115	6430-50	—45
3 months	6530-5	—126	6550-60	—40
Settlem't	6400	—110	—	......
Straits E.	$29.62	—0.08		......
New York	—			

Morning: Cash £361, 59, three months £368, 69, 68, 67.5, 67, 67.5. Kerbs: Three months £367, 66. Afternoon: Three months £368, 69, 68.5, 68, 67.5. Kerbs: Three months £367, 66, 65, 64, 63, 64. Turnover: 10,825 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	359-60	+1.75	359.5-60.5	—4.5
3 months	367-.5	+2.5	367.5-8	—4.5
S'ment	360	+2	—	......
U.S. Spot	—	......	*38	......

Morning: Cash £417, 17.5, three months £418, 18.5, 19. Kerbs: Three months £419, 18.5, 18. Afternoon: Three months £419. Kerbs: Three months £419, 18, 17.5, 17. Turnover: 11,525 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Cash	417-8	—0.25	414-6	—2
3 months	418.5-9	+0.25	418.5-9	......
S'ment	418	......	—	......
Primw'ts	—	......	*46.5	......

Morning: Cash £638.5, three months £659, 58.5, 59, 58, 57.5, 58, 58.5. Kerbs: Three months £660, 61, 62, 63, 62.5, 62, 61, 62. Afternoon: Three months £661, 62, 63, 63.5, 64, 64.5, 65, 65.5, 66. Kerbs: Three months £668, 66, 65, 65.5, 65, 64.5, 64, 63, 62, 61. Turnover: 9,125 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Spot	638.5-9.5	—0.5	645-6	......
3 months	659-.5	—1.5	665.5-6	—0.5

Morning: Three months £3,195, 3,200, 3,190, 93, 95, 98, 3,205, 3,210. Afternoon: Three months £3,205. Kerbs: Three months £3,200, 3,195, 90, 80, 90. Turnover: 282 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficl'l	+ or —
Spot	3135-45	—25	3150-40	—45
3 months	3205-10	—17.5	3203-5	—7.5

* Cents per pound. ‡ $MS per kilo. † On previous unofficial close.

SILVER

Silver was fixed 6.55p an ounce lower for spot delivery in the London bullion market yesterday at 519.1p. U.S. equivalents of the fixing levels were: spot $10.191, down 5.9c; three-month $10.637, down 5.4c; six-month $11.043, down 5c; and 12-month $12.00, up 3.6c. The metal opened at 516-523p ($10.15-10.30) and closed at 517-524p ($10.15-10.30).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	512.10p	—6.55	519.5p	+1.75
3 months	535.10p	—6.75	535.5p	+1.5
6 months	552.80p	—7.05	—	......
12 months	596.20p	—5.80	—	......

LME—Turnover 93 (62) lots of 10,000 ozs. Morning: three months 534, 36, 35.5, 35, 34.5, 35. Kerb: three months 535. Afternoon: three months 535. Kerb: three months 534, 35, 34.

COCOA

After opening £10 higher as due, futures weakened under sustained trade house hedging of further producer sales. Arbitrage selling during the afternoon was matched by commission house [illegible] for prices to close at the previous day's levels, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
July	823-826	—2.0	834-823
Sept	850-851	+1.5	860-846
Dec	886-887	[illegible]	[illegible]
March	912-913	—2.0	927-915
May	936-938	—2.5	945-935
July	953-957	—4.0	963
Sept	970-977	—4.0	—

Sales: 3,068 (1,831) lots of 10 tonnes.

ICCO Futures — Daily price for June 9: 72.67 (73.23); five-day average 74.44 (75.77).

COFFEE

News of an emergency ICO meeting scheduled for June 15, to discuss the situation after the final quota cut, appeared to influence early dealings as prices steadied through a busy morning session, reports Drexel Burnham Lambert. Anticipating the better New York opening London reopened with further gains of £20. Continuing strength promoted New York to 6 cent limit gains and London closed a hectic afternoon on the highs.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
July	862-65	+47.0	[illegible]
Sept	885-89	+54.0	[illegible]
Nov	[illegible]	[illegible]	[illegible]
Jan	[illegible]	+51.0	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
July	875-800	+42.5	[illegible]

Sales: 5,918 (4,944) lots of 5 tonnes.

ICO indicator prices for June 9 (U.S. cents per pound). Comp. Daily ICA 1976 98.25 (103.00): 15-day average 112.03 (113.15).

GAS OIL FUTURES

A rapid rise to the highs, caused by rumours of a Kuwaiti crude oil embargo and a marked firmness in the physical market, was seen in early trading. Prices then eased off and the market traded within a dollar range all morning before firming slightly in the afternoon, reports Premier Man.

Month	Yesterdy's close	+ or —	Business Done
	$ U.S. per tonne		
June	272.50	+2.50	273.00-71.00
July	272.25	+3.50	273.00-71.00
August	275.50	+2.75	276.00-74.25
September	279.50	+2.25	281.00-79.00
October	284.50	+2.50	285.50-85.50
November	288.00	+1.50	288.50-87.50
December	293.25	+1.75	293.50-85.00
January	298.25	+1.75	298.75-98.25
February	301.50	+0.50	301.50-01.50

Turnover 1,065 (828) lots of 100 tonnes.

GRAINS

July wheat opened 15p down and closed 15p down on the day in very thin trading. New crops opened unchanged and in very thin volume eased 10-15p on some hedge selling pressure before steadying to close unchanged to 10p higher on both wheat and barley, Acli reports.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterday's close	+ or —
July	116.20	—0.15	—	—
Sep	100.70	+0.05	95.00	+0.10
Nov	104.40	....	98.70	+0.05
Jan	108.45	....	102.35	+0.05
Mar	112.10	+0.10	105.80	+0.05
May	115.65	....	109.30	+0.10

...Business done—Wheat: July 116.30-116.15, Sept 100.70-100.65, Nov 104.40-104.25, Jan 108.55-108.30, March 112.10-111.95, May no trades. Sales: 68 lots of 100 tonnes. Barley: Sept 95.00-94.80, Nov 98.70-98.50, Jan and March no trades, May 109.30-109.15. Sales: 54 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 2 14 per cent June 112.25, July 111.75, Aug 111.50 transhipment East Coast sellers. U.S. Hard Winter 13½ per cent June 112.25, July 111.75, Aug 112.50 transhipment East Coast sellers. English Feed fob. [illegible]

HGCA—Locational ex-farm spot prices. Other milling wheat: Eastern 115.00, E. Mids. 115.0. Feed barley: Eastern 100.90, E. Mid. 102.90, N. East 100.30, Scotland 98.40. The UK Monetary Coefficient for the week beginning Monday June 15 is expected to change to 0.877.

RUBBER

The London physical market opened easier, with little interest throughout the day, closing dull. Lewis and Peat reported a fob price for No. 1 RSS in Kuala Lumpur of 269 (272.5) cents a kg and SMR 20 233.5 (236.5).

[illegible]

Sales: 158 (652) lots of 15 tonnes, 1 (1) at 5 tonnes. Physical closing prices (buyers) were: Spot 60.00p (61.00p); July 61.50p (62.00p); Aug. 62.00p (62.75p).

SOYABEAN MEAL

The market opened slightly steadier on light commission house buying, reports T. G. Roddick. Prices remained firm with fresh buying in new crop positions for the market to close on highs of the day.

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
June	132.00-34.0	+1.40	133.10-32.00
August	132.00-35.2	+0.90	133.20-32.00
October	136.70-36.9	+1.80	137.00-35.50
December	139.00-39.5	+1.85	139.50-38.00
February	141.50-41.9	+2.20	141.60-40.90
April	141.50-45.0	—1.50	—
June	141.00-44.0	+0.75	—

SUGAR

LONDON DAILY PRICE—Raw sugar £209.00 (£216.00) a tonne cif June-July shipments. White sugar daily price £223.00 (£233.00).

Lower Paris quotations caused London to open £3 below overnight levels. As scattered stop-loss selling was touched off further losses occurred. The lows were shortlived and the losses turned into gains when New York prices touched the limit advance before profit taking pared the gains somewhat at the close, reports C. Czarnikow.

No. 4 Contract	Yest'rdy's Close	Previous Close	Business Done
	£ per tonne		
Aug.	215.80-15.95	211.75-12.00	216.00-09.00
Oct.	215.45-15.70	213.50-14.00	217.00-10.25
Jan.	215.90-15.95	214.25-14.60	216.00-14.50
March	218.15-18.20	216.75-17.00	220.50-13.50
May	218.80-19.20	217.50-18.00	217.50-15.75
Aug	219.60-21.45	218.00-21.00	217.00
Oct.	221.05-25.95	219.00-22.50	—

Sales: 6,485 (7,704) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.6 (same) a tonne for home trade and £316.5 (323.0) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean port. Prices for June 9: Daily price 16.55 (17.44): 15-day average 16.52 (16.41).

WOOL FUTURES

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kilo. Aug. 385, 405, nil; Oct. 391, 394, 390; Dec. 391, 392, 395-391; Jan. 392, [illegible]

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kilo. [illegible] 499.0, [illegible] 495.0, [illegible] 503.0-[illegible]-509.0; [illegible] 520.0, [illegible] 521.0, [illegible] 523.0.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 110 tonnes, bringing the total for the week so far to 118 tonnes. Lack of enterprise continued to dominate conditions, affected as they were by the currency situation. Users showed little sign of adding to their commitments, even in the more popular American type varieties.

POTATOES

LONDON POTATO FUTURES—Heavy selling pressure at the opening saw prices drop by £1 before buyers were attracted in quantity. The market firmed towards the close, but traders remain nervous, reports Coley and Harper. Closing prices: Nov. 57.30, [illegible] Feb. [illegible] (55.90): [illegible] low [illegible] Turnover: 192 (106) lots of 40 tonnes.

HIDES—Leeds. In most cases the market was slightly stronger. Second clears. Ox: 31-35.5 kg, 41.2p a kg (41.0p a kg); 26-30.5 kg 43.3p a kg (41.2p a kg); 22-25.5 kg, 49.5p a kg (47.7p a kg). Light cows: 25.5 kg, 40.5p a kg (39.1p a kg withdrawn).

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £4.00-£5.50, codlings [illegible]. Large haddock £5.00-[illegible], medium [illegible]. Medium plaice [illegible], best small £3.60-£4.50. Skinned dogfish (large) £10.00-£12.50, medium £8.00-£9.00. Lemon soles (large) £9.50, medium £8.50. Rockfish £2.40. Saitha £2.80-£3.30.

PRICE CHANGES

In tonnes unless otherwise stated.

	June 10 1981	+ or —	Month ago
Metals			
Aluminium	£810/815	....	£810/815
Free Mkt	$1255/1285	+10	$1295/325
Copper			
Cash w'bar	£867.75	+3.5	£836.5
3 mths	£892.25	+4	£860.25
Cash Cathode	£861.25	+3.75	£828.5
3 mths	£882.25	+4.5	£848.5
Gold troy oz	$465.5	+9	$483.5
Lead Cash	£360	—4.5	£327.25
3 mths	£367.75	—4.5	£335.5
Nickel	£3,504.50	....	£3,504.50
Freemkt	275/285c	....	295/310c
Platin'mtr'y oz	£247.0	....	£213.5
Freemkt	£225.80	+1.55	£223.95
Quicksilver†	$425/435	—2.5	$425/435
Silver troy oz	519.10p	—6.55	526.50p
3 mths	536.10p	—6.75	542.10p
Tin Cash	£6,440	—45	£6,095
3 mths	£6,555	—40	£6,185
Tungsten22.04lb	$143.75	....	$147.31
Wolfrm 22.04 lbs	$144/148	....	$142/146
Zinc Cash	£415	—2	£406.75
3 mths	£418.75	....	£416.5
Producers	$925	....	$875
Oils			
Coconut (Phil)	$560r	....	$545
Groundnut	‡	....	‡
Linseed Crude	£442	....	£424
Palm Malayan	‡	....	$560
Seeds			
Copra Philip	$375r	—15	$385
Soyabean(U.S.)	$295	—1	$310
Grains			
Barley Fut.Sep	£95.00	+0.1	£95.45
Maize	128	....	£126.5
WheatFut.Sept	£100.70	+0.05	£101.10
No2 HardWint	£112.25	—0.5	£106.75
Other commodities			
Cocoa ship't *	£911	—1	£1,013
Future Sept	£850.5	+1.5	£912
CoffeeF't Sept	£888.5	+54	£1058.5
Cotton A.Index	86.70c	—0.4	87.15c
Gas oil July	$272.25	+3.50	$279.25
Rubber (kilo)	60p	—1	54.75p
Sugar (Raw)	£209r	—7	£169
Woolt'ps 64s kl	352p kilo	....	355p kilo

‡ Unquoted. v June-July. w July-Aug. y July. z Aug. † Per 76-lb flask. * Ghana cocoa.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 76.0 to 80.0: Ulster Hindquarters 88.0 to 94.0, Forequarters 55.0 to 59.0: Eire Hindquarters 87.0 to 92.0, Forequarters 55.0 to 57.0. Veal: Dutch hinds and ends 128.0 to 132.0. Lamb: English small 80.0 to 84.0, medium 76.0 to 83.0: Imported Frozen—New Zealand PL 69.0 to 70.0, PM 66.0 to 69.0. Pork: English, under 100 lb 47.0 to 52.0, 100-120 lb 45.0 to 51.0, 120-160 lb 43.0 to 50.0.

MEAT COMMISSION—Average Fatstock prices at representative markets on June 10. GB—Cattle 95.39p per kg lw (—0.36). UK—Sheep 177.33p per kg est dcw (—15.18). GB—Pigs 78.33p per kg lw (+2.57).

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Oranges—Outspan: Navels 48 4.90, 56 5.30, 72 4.80, 88 4.20, 112 4.10, 138 4.00, 150 3.60: Californian: 88/138 3.80-4.80: Jaffa: Valencia Lates 56/189 4.30-5.00; Moroccan: Lates 48/113 3.30-5.00. Lemons—Spania: Trays 25/50 2.00-2.20, Boxes 60/100 5.20: Californian: 115/140 5.50; Italian: 100/210 4.50-4.80; Outspan: 80/100 5.00: Jaffa: Cartons 60/90 4.20-5.00. Grapefruit—Outspan: 40 3.90, 48 3.95, 56 3.85, 64, 3.60: Cyprus: 20 kg 40/64 5.50; Jaffa: 20 kg 36/75 3.83-4.75. Apples—S. African: Granny Smith 6.50-6.80, Golden Delicious 6.50-6.80, Starking 7.30-8.00; Chilean: Granny Smith 6.80-7.20, Winesaps 8.50; New Zealand: Granny Smith 7.40, Sturmer Pippins 7.50-7.80, Golden Delicious 6.00, Red Delicious 8.00; Tasmanian: Jonathans 6.80-7.00, Granny Smith 7.00, Sturmer Pippins 7.50; W. Australian: Granny Smith 7.60; Victorian: King Coles 7.90; U.S.: Red Delicious 9.50-10.50; French: Golden Delicious 40 lbs 125/175 3.80-4.80; Italian: 40 lbs Romes 60/70 4.40-4.60; British Columbian: McIntosh Reds ½ cartons 70/80 4.50. Pears—Belgian: Conference per pound 0.10-0.12: S. African: Packhams 6.00-6.80, Nelis 5.60; Tasmanian: Packhams 40 lbs 6.80-7.20: New Zealand:

English Produce: Potatoes—Per 55 lb bag, old 2.50-3.40, new Kent 4.00-4.20. Mushrooms — Per pound 0.50-0.60. Apples—Per pound Bramleys 0.08-0.15. Cauliflowers—Per 12, Kent 3.50-4.50. Cabbages—Per bag 3.20, Spring 22 lbs 3.60-4.20. Lettuce—Per 12, round 1.00-1.50, Cos 10/12 1.60-1.80. Tomatoes—Per 12 lbs 3.50, E 3.20. Radishes—Per pack of 12 x 8 ozs 1.50, bunches of 15 1.20. Onions—Per tray x 20 bunches, spring 1.50. Celery—Per 15/24 3.50, 6.00. Cucumbers—Per 10/12 1.00-1.20. Gooseberries—Per 12 lbs 3.00.

AMERICAN MARKETS

NEW YORK, June 10.

Precious metals rallied on stronger currencies and lower interest rates. Copper was firm on arbitrage buying and lower interest rates. Sugar was mixed as market strength following the EEC tender was followed by commission house selling. Heating oil eased off further due to hte continued glut in the crude market. Grains and soyabeans further extended their rally as frequent precipitation in the central states prevented completion of planting, reported by Heinold.

Copper — June 77.95 (76.90), July 78.60-78.70 (77.65), Aug. 79.90, Sept. 81.00-81.15, Dec 84.50-84.65, Jan. 85.65, March 87.80, May 89.75, July 91.80, Sept. 93.85, Dec. 96.95, Jan. 98.00, March 100.10.

*Gold—June 466.5-468.0 (459.1), July 470.5 (462.6), Aug. 476.5-477.5, Oct. 488.0-489.5, Dec. 500.0-501.0, Feb. 511.0-512.0, April 524.7, June 536.8, Aug. 548.9, Oct. 561.1, Dec. 573.4, Feb. 585.8, April 598.4.

*Platinum—June 441.8 (430.3); July 444.0-446.0 (434.3), Aug. nil, Oct. 461.0-463.0, Jan. 477.8, April 494.3, July 510.8.

Potatoes (round whites)—Nov. 74.3-74.8 (74.2), Feb. 80.0-82.0 (81.0), March 85.3-86.1, April 96.0-96.1. Sales: 374.

¶Silver—June 1020.0 (999.0), July 1024.0-1029.0 (1008.0), Aug. 1043.0, Sept. 1055.0, Dec. 1102.0, Jan. 1115.0, March 1143.0, May 1171.0, July 1199.0, Sept. 1227.0, Dec. 1269.0, Jan 1283.0, March 1311.0. Handy and Harman bullion spot 1017.0 (1001.0).

Sugar No. 11: July 16.75-16.90 (16.77), Sept. 16.85-16.90 (17.07), Oct. 17.00-17.05, Jan. 17.20, March 17.30-17.35, May 17.40-17.45, July 17.55-17.70, Sept. 17.85, Oct. 17.80. Sales: 10,240.

Tin—577.00-591.00 (582.00-596.00).

CHICAGO, June 10.

Lard—Chicago loose 19.75 (same).

Live Cattle—June 70.40-70.50 (70.27), Aug. 68.80-68.90 (68.40), Oct. 65.40-65.45, Dec. 66.50-66.45, Feb. 67.55-67.50, April 68.80, June 69.37.

Live Hogs—June 51.15-51.30 (51.42), July 56.50-56.65 (56.70), Aug. 56.95-57.10, Oct. 54.72-54.65, Dec. 56.30-54.65, Feb. 57.30-57.00, April 55.95, June 58.30, July 58.35.

‡‡Maize—July 350-350½ (344¾), Sept. 355 (349¾), Dec. 359½-360, March 371¾-372, May 378¼, July 381¼.

Pork Bellies—July 57.70-58.00 (57.60), Aug. 57.50-57.65 (57.40), Feb. 70.90-71.25, March 71.10-71.25, May 72.70, July 74.00, Aug. 73.80.

†Soyabeans—July 737-738½ (729½), Aug. 740½-740 (731½), Sept. 744½, Nov. 759-760, Jan. 777, March 797½-798, May 812½, July 821.

‖Soyabean Meal—July 211.8-212.0 (209.4), Aug. 213.5-213.3 (210.4), Sept. 215.5, Oct. 216.5-217.5, Dec. 223.0-222.7, Jan. 225.6-226.0, March 232.5-232.0, May 234.8-235.0, July 238.5.

Soyabean Oil — July 22.61-22.63 (22.35), Aug. 23.05 (22.77), Sept. 23.40, Oct. 23.80-23.85, Dec. 24.40-24.45, Jan. 24.65-24.70, March 25.25-25.30, May 25.50-25.60, July 25.85-25.95, Aug. 25.90-26.05.

†Wheat—July 413½-414 (407), Sept. 431-431¾ (423¼), Dec. 457-456½, March 477-477½, May 486½-487, July 490.

WINNIPEG, June 10.

§Barley—July 145.30 (145.40), Oct. 141.30 (141.60), Dec. 141.60, March 143.30, May 143.50.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 256.94 (255.34).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen. †† $ per metric ton.

Tuesday's closing prices

NEW YORK, June 9.

††Cocoa—July 1451 (1412), Sept. 1529 (1497), Dec. 1640, March 1718, May 1776, July 1831, Sept. 1890. Sales: 1,952.

Coffee—"C" Contract: July 93.60-94.00 (99.41), Sept. 97.96 (101.96), Dec. 95.72, March 93.68, May 94.99, July 92.72, Sept. 95.99. Sales: 2,114.

Cotton—No. 2: July 82.20-82.40 (82.52), Aug. 82.40-82.41 (82.60), Oct. 78.65, Dec. 77.30-77.45, March 78.81-79.00, May 80.10-80.30, July 82.10-82.15, Oct. 82.10-82.20. Sales: 5,800.

Orange Juice—July 133.90-134.00 (137.00), Sept. 137.50-137.60 (140.70), Nov. 139.10, Jan. 142.25, March 143.35-143.50, May 144.45-144.60, July 145.55-145.75, Sept. 146.65-147.00, Nov. 146.30-147.25. Sales: 1,500.

CHICAGO, June 9.

Chicago Imm Gold—June 456.7 (462.0), July 462.5 (467.0), Sept. 475.5-474.7, Oct. 481.1, Dec. 493.0, Jan. 499.0, March 511.0, April 517.0, June 529.1.

NEW ORLEANS—Milled Rice Futures (cents per cwt of U.S. No. 2 long grain). Sept. 2395 (2395), Nov. 2293 (2304), Jan. 2340, March 2374, May 2395.

EUROPEAN MARKETS

ROTTERDAM, June 10.

Wheat—(U.S. $ per tonne): U.S. Two Dark Hard Winter 13.5 per cent June/July 204, Aug. 206, Sept. 208. U.S. No. Two Red Winter June 155, July 157.50. U.S. No. Two Northern Spring 14 per cent June 202.50, July 202, Aug. 201, Sept. 204, Oct. 208.

Maize—(U.S. $ per tonne): U.S. No. Three Corn Yellow afloat June/July 157, Aug. 158, Sept. 159.50, Oct./Dec. 163, Jan./March 172, April/June 179.

PARIS, June 10.

Sugar—(FFr per tonne): July unquoted, Aug 2476-2480, Oct 2451-2459, Nov 2440-2470, Dec 2440-2470, March 2500-2525, May 2515-2575, July 2520-2580. Sales at call: 10.

Cocoa—(FFr per 100 kilos): July 954 asked, Sept 965-975, Dec 991-1009, March 1038-1042, May 1059-1065, July 1075-1095. Sales at call: nil.

INDICES

FINANCIAL TIMES

June 9	June 8	Month ago	Year ago
251.19	255.48	252.56	266.71

(Base: July 1, 1952=100).

MOODY'S

June 9	June 8	Month ago	Year ago
1083.9	1086.3	1074.8	1120.5

(December 31, 1931=100)

DOW JONES

Dow Jones	June 9	June 8	Month ago	Year ago
Spot	382.88	384.77	386.97	425.47
Fut'r s	383.83	383.81	387.19	438.16

(Average 1924-25-26=100).

REUTERS

June 10	June 9	M'nth ago	Year ago
1753.2	1752.4	1684.0	1663.7

(Base: September 18, 1931=100)

LEGAL NOTICES

IN THE MATTER OF DEMERARA COMPANY HOLDINGS LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948.

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 15th day of July, 1981, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned John Frederick Powell of Coopers & Lybrand, Abacus House, Gutter Lane, London EC2V 8AH, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 3rd day of June, 1981.

JOHN F. POWELL, Liquidator.

No. 001404 of 1981

In the HIGH COURT OF JUSTICE Chancery Division, Group A. In the Matter of BARKER & DOBSON GROUP LIMITED and in the Matter of the Companies Act, 1948.

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chancery Division) dated 13th April 1981 confirming the reduction of capital of the above-named Company from £18,656,749.40 to £13,547,588.26 and the Minute approved by the Court showing with respect to the capital of the Company as altered the several particulars required by the above-mentioned Act were registered by the Registrar of Companies on 29th May 1981.

DATED this 9th day of June 1981.

HERBERT SMITH & CO.
Watling House
35-37 Cannon Street
London EC4M 5SD
Solicitors for the above-named Company.

ART GALLERIES

International Appointments

HONG KONG
Chief Dealer

Our Client is a substantial US bank with a well established branch operation in Hong Kong.
Current plans call for the recruitment of a senior dealer with a minimum of 5 years' dealing experience, **embracing both foreign exchange and currency deposits**, to assume responsibility for the bank's dealing activities.
Candidates, probably in the age range 26-30 and preferably with a knowledge of the Far East markets, will respond to this attractive position which affords the additional opportunity to acquire management experience.
The appointment will be offered on the basis of an initial 2 year contract with a competitive salary and the usual expatriate benefits.

Contact Norman Philpot in confidence on 01-248 3812

NPA Recruitment Services Ltd
60 Cheapside London EC2 Telephone 01 248 3812 3 4 5

LUXEMBOURG

Qualified Chartered Accountant required for well established audit practice. This is an opportunity to work in an international environment in which a knowledge of banking law and some French/German would be an advantage. Salary c. £17,000.

Please reply to:
F. N. Hoogewerf
P.O. Box 1632
43 Rue Goethe, Luxembourg
Tel: (010352) 27381

EMPLOYMENT CONDITIONS ABROAD LIMITED

An international Association of Employers providing confidential information to its member organisations, not individuals, relating to employment of expatriates and nationals world wide.

01-637 7604

GOLD
International Investment Manager
FAR EAST

One of the most prestigious government financial institutions in Asia is seeking to find an outstanding manager for its substantial Gold Bullion and Gold Share investment portfolio.

This senior position requires a highly capable Gold investment professional with 15 years experience in anticipating market trends and directing investment strategy. The position reports to the Managing Director.

In view of the importance of this appointment, our client will pay an excellent salary and provide a full range of overseas benefits including furnished accommodation, car, and financing of children's education. An initial renewable three year contract is envisaged, and the location is probably the most attractive in the Far East.

Please write in confidence to:–

St. James's Corporate Consulting,
Box FT/681, St. James's House,
4/7 Red Lion Court, Fleet St., London EC4A 3EB.

International Fund Management
Far East
SENIOR MANAGER JAPANESE MARKET

One of the most prestigious government financial institutions in the Far East is seeking an individual who has considerable experience determining investment strategy and forecasting trends in the Japanese Equity market.

Reporting to the Managing Director, the successful candidate, who should preferably have had ten years relevant experience, will analyse and manage the extensive investments in the Japanese market for our client's fund, which is one of the largest in Asia. A recognized professional with a notable track record is sought.

In view of the importance of this appointment, our client will pay an excellent salary and full range of overseas benefits including furnished accommodation, a car and financing of children's education. An initial renewable three year contract is envisaged and the location is probably the most attractive in the Far East.

Please write in confidence to:–

St. James's Corporate Consulting,
Box FT/682, St. James's House,
4/7 Red Lion Court, Fleet St., London EC4A 3EB.

COMMERCIAL BANKING — ASIA-PACIFIC AREA

MANAGEMENT POSITIONS

Our Bank has achieved considerable growth in recent years and continues to expand throughout Southeast and East Asia. We offer challenging opportunities to join our forward-looking organisation in a variety of management positions among our branches in the region.
The ideal candidates will be seasoned all-round US or European-trained bankers, already holding responsible posts with well-established commercial banks. They will be interested in building a long-term career with an international bank supported by a shareholder group of seven leading European banks. Working experience in an international environment, preferably in Asia, is a prerequisite.
Openings are available both at Manager level, with overall responsibility for business direction and branch performance, and for Deputy and Assistant Managers, who co-ordinate operational, control and administrative functions either from our Head Office in Hamburg or within one of our Asian branches.
The ability to motivate people and to contribute to the continued growth of a branch is imperative.
Remuneration will be negotiable and commensurate with the high standards and experience required. Fringe benefits are of top international standard.
Qualified applicants are invited to apply in confidence by sending a full curriculum vitae to:
The Chief Personnel Manager, European Asian Bank
Neuer Wall 50, D-2000 Hamburg 36/W. Germany,
Tel.: (040) 36146-175

European Asian Bank

HAMBURG • BANGKOK • BOMBAY • COLOMBO • HONGKONG • JAKARTA • KARACHI
KUALA LUMPUR • MANILA • SEOUL • SINGAPORE • TAIPEI • SYDNEY

We are a leading German Bank with Corporate Headquarters in Frankfurt/M and subsidiaries in many major cities of the world. In addition to counseling large industrial accounts we also devote particular attention to our private customers and in this regard offer a highly professional and extensive advisory service.
For this business area we require a well qualified

Manager Private Customer Department

This comprehensive and demanding executive function calls for a person who has been successful in a similar position fhr several years and is intimate with most aspects of this banking activity. People management skills, the ability to integrate and fluency in German are prerequisites.

Essential tasks :

- Coordination and control of all private customer operations
- Development and realization of new programs
- Management of a highly qualified staff

The position carries with it the title of Director and signatory authority, as well as commensurate compensation and retirement benefits.

Please send your detailed resume including your telephone number to our consultant:

EXSEL Management Services GmbH
Berliner Strasse 31-35
D 6236 Eschborn/Ts., West Germany
Tel: 6196-48727

EXSEL EXECUTIVE SELECTION

Ashbrittle Limited
International Recruitment Consultants

FINANCIAL MANAGER
South Africa

The Company
A major division within a large and well established trading and contracting group enjoying rapid expansion within a climate of economic growth and stability.

The appointment and responsibilities
The successful candidate will report to the Managing Director and functionally to the Financial Director. He will be responsible for both financial and accounting matters throughout the division providing advice on all aspects of financial planning and control including acquisition feasibility and evaluation of new ventures. He will direct all company accountants ensuring that reporting procedures are carried out in accordance with corporate policy and will be closely involved in the consolidation of all financial data covering cash flow, profits, capital expenditure, financial statements, budgets and strategic plans, together with the operation of internal audit and cost control systems.

The successful candidate
A chartered, certified or cost management qualified accountant, probably aged between 35 and 45 with a proven record in corporate financial management gained in industry, latterly in a senior managerial role. He will be seeking an opportunity to secure a long term challenging appointment where his previous experience and management skills can be tested to the full. Preference may be given to suitable applicants of either South African nationality or possessing a valid permanent resident's permit.

The benefits
An attractive salary will be offered together with excellent fringe benefits including a company car, annual bonus, group accident insurance, automatic medical and pension fund membership and a substantial relocation allowance.

Initial interviews will be with David Knowles in Potters Bar and short listed candidates will be invited to meet a senior management representative of the company between 23rd and 30th June. In the first instance, telephone David Knowles for a preliminary discussion or write to him, in confidence, at the address below.

Ashbrittle Limited, Seabrook House, Wyllyotts Manor,
Darkes Lane, Potters Bar, Herts. Tel: Potters Bar (STD 0707) 42406

Methods and Systems
Banking — Bermuda

We see this appointment as an attractive career development opportunity for a young management services professional seeking wider experience in an agreeable working and recreational setting.

Arising through promotion, the post carries responsibility for the review and development of organisation, systems and procedures in a sophisticated and highly computerised department – a key area of the Bank's operations – and for the design and implementation of training programmes. It will demand a sound academic background plus analytical and communication skills, developed through experience in disciplines such as O&M, systems audit and clerical work measurement: previous exposure to a financial environment would be helpful. A clear understanding of EDP applications is important and a formal MS qualification would be an advantage.

Our client – one of Bermuda's leading banks with offices in London and elsewhere – offer an attractive tax-free salary plus benefits such as non-contributory pension, medical cover and free life insurance. An initial two or three-year contract is envisaged but there is ample scope for long-term advancement. Working wives with suitable training are welcome on the Island, although accommodation for families with children is difficult.

Please apply in confidence to the address below, quoting Ref. 207/6/FT.

Charles Barker
MANAGEMENT SELECTION INTERNATIONAL LTD.
30 Farringdon Street, London EC4A 4EA. Telephone 01-236 0588.
MANAGEMENT SELECTION — EXECUTIVE SEARCH

DP MANAGER
RIYADH, SAUDI ARABIA

We are a Riyadh based financial institution with an extensive branch network throughout the kingdom. Continuing rapid growth mandates an integrated computerised data system and senior EDP executive is therefore needed to supervise this evolution from inception to implementation of an overall automation plan.

Such position requires an accomplished individual of outstanding technical ability, probably with at least 7 years experience in a banking environment. Arabic speaking preferred but not necessary. The salary is commensurate with experience and a generous package of benefits is included.

The position is open to persons of single or married status.
Initial interviews will be held in the UK with the final interviews in Riyadh.

Please write giving full details to:
BOX A7537, FINANCIAL TIMES
10 CANNON STREET, EC4P 4BY

ERI
Specialists in recruitment for the developing world

Financial Controller/ Commercial Manager
Nigeria — c£25,000 inc bonus

Our client one of the leading established distributors of construction and agricultural equipment with branches throughout Nigeria is now seeking to fill this key management position.

Reporting to the expatriate General Manager the appointee will be responsible for the total finance function including budgetary control, management accounting and financial systems. He will also be responsible for treasury function including banking procedures, bills of exchange and insurance matters.

The need is for a qualified accountant aged 35-45 who is seeking to play an important management role in this real growth company; only those with strong leadership qualities with proven high level financial and commercial experience plus an abundance of energy, dedication, loyalty and an empathy for Nigeria's development policies should apply. Overseas experience, preferably in Africa, is essential.

Generous remuneration package compatible with international standards, two year renewable single status contract plus first class benefits and two weeks paid home leave every three months.

Please send career details quoting ref 5/FT/A/CM to Mike Lebbell, Executive Resources International, Management Consultants, 87 Jermyn Street, London SW1 6JD. Shortlist interviews to be held in UK in June.

INTERNATIONAL OIL COMPANY

requires for its crude oil refinery in the West Indies a

FINANCE MANAGER

This senior position calls for a mature, well-qualified financial man (chartered accountant or equivalent) with refinery experience to head up the finance division of an expanding refinery.

Attractive salary and usual big company benefits offered.

Reply with detailed curriculum vitae and telephone number to:
THE PERSONNEL DEPARTMENT (REF. DW)
P.O. BOX 436, CH-1211 GENEVA 1

هكذا من الأصل

International Appointments

المؤسسة العامة القطرية للبترول

QATAR GENERAL PETROLEUM CORPORATION

requires a Senior Legal Assistant

with at least LLB degree followed by five years' practical experience with particular orientation in the Anglo-Americn legal system more specifically in the field of international industrial and commercial contracts law. He should be very well versed in English (French an asset). Practical experience related to Oil Industry legal problems is essential.

Salary commensurate with qualifications and experience. Excellent fringe benefits.

All applications will be dealt with in strict confidence. Interested applicants are invited to submit copies of their Curriculum Vitae within thirty days from today's date to:

Manager, Personnel and Training
Q.G.P.C.—P.O. Box: 3212
Doha, Qatar
The Gulf

Financial Controller

PARIS c £20,000

Our client is a London based privately owned trading company with a subsidiary company located in Paris. They currently require a financial controller in Paris who will also have the opportunity to become involved in a broader management role. After qualifying, preferably as a chartered accountant, the successful candidate will have spent several years in a commercial environment. A sound professional approach and a firm commercial grasp of the priorities of a fast moving trading company are essential.

This is a first class opportunity for an accountant to widen the scope of their involvement.

Il faut que le candidat parle courrament le français. Essential: le candidat choisi aura vecu et travaillé en France.

For further details please contact Richard Wilson Ref. F.T. 101

Badenoch & Clark
4 New Bridge Street, London E.C.4
Telephone: 01 353 7722 1867

Wardley Australia Ltd

CORPORATE FINANCE

Hong Kong

Wardley Limited seek an experienced and self-motivated corporate finance executive. The appointed candidate will join an established and very successful team and will handle transactions independently. *Preferred age 25-30* and a professional qualification in accountancy, law or commerce is desirable. An MBA would be an *advantage.*

Candidates should have appropriate experience across the full range of corporate finance functions. An attractive and flexible remuneration package will include free accommodation, a house mortgage/re-financing scheme, leave passage allowance, *medical insurance and a* generous profit sharing scheme including life cover and provident fund. (SW.576)

Candidates male or female should write briefly and in confidence to the Managing Director, Executive Appointments Limited, 18 Grosvenor Street, London W.1, quoting reference. No identities divulged without permission.

TO CONTROL THE MANAGEMENT OF THE EUROPEAN BRANCHES...

250,000/300,000 FF

... of an anglo-saxon company ($100 million, 1,800 employees) manufacturing precision equipment in the United States and distributing in Europe.

In direct relation with the *Group* controller and under the President's supervision, the successful candidate will establish the reporting procedures, control their enforcement, and participate in the growth of the business.

This position would suit for example a university graduate, at least 35 years old, speaking fluent English and French and with experience of similar responsibilities with a preferably *multinational* company. A perfect command of anglo-saxon managing methods is essential.
Location will be either Paris or another European capital.

Please send your *curriculum vitae* under ref. 2750 FT to Ph. VINCHON, 65 avenue Kléber, 75116 PARIS who will deal with your application in strictest confidence.

CORT

Membre de SYNTEC

DEPOSIT LINK MAN

required by German Money Broker for their Frankfurt-London links. Some experience would be useful but not necessarily essential.

Applications in writing with full c.v. to:
BIERBAUM & CO DEPOT OHG
Kaiserhofstrasse 16
6000 Frankfurt a.M. W. Germany

Assistant to Investment Manager

c. £7,500

We have recently established an investment department to manage private client portfolios. We are now looking for an experienced assistant to work closely with the Investment Manager. The likely candidate will have an intimate knowledge of stock exchange procedures and some experience of portfolio management.

Applications with full Curriculum Vitae to the Investment Manager.

The Heritable and General Trust Limited
52, Berkeley Square, London, W1X 6EH
01-493 6621

INVESTMENT ACCOUNTANT

John Govett Secretariat Ltd.

John Govett Secretariat Limited who are managing agents for a group of investment trust companies wish to recruit a qualified accountant to augment their computer-based financial, statistical and management accounting function.

Experience of investment accounting is not essential but familiarity with use and control of computer based systems will be helpful. The appointment is particularly attractive to an accountant interested in building a career in a City environment.

Salary is negotiable around £9,500 and there are substantial other benefits.

Applications to:
R. A. Smith, F.C.A., John Govett Secretariat Ltd.
Winchester House, 77 London Wall,
London EC2N 1DH.

A CALL TO SCHOOL LEAVERS OF 1981

Have you thought of becoming a News Journalist

Would you be good at finding out news and reporting? Interviewing people about the oddities of life and serious public issues? It means also such jobs as covering council meetings and law courts—and maybe sports events.

One way into training for this work—if you have the right aptitude—is to attend a one-year course, followed by 2¼-years indenture to a provincial newspaper.

If you are likely to have two 'A' levels *and will be under 20 on September* 1st, 1981, write for an application form, enclosing a 9 inch by 4 inch stamped and addressed envelope, for the Newspaper Journalism course starting that month to the industry's own *training organisation.*

THE NATIONAL COUNCIL FOR THE TRAINING OF JOURNALISTS
Carlton House, Hemnall Street
Epping, Essex, CM16 4NL

Similar courses are also available in Press Photography and *Periodical* Journalism.

APPOINTMENTS ADVERTISING RATE
£22.50 per single column centimetre

APPOINTMENTS WANTED

COMPANY ACCOUNTANT/ COMPANY SECRETARY (FCA)

aged 40, with some international trading experience, seeks a position where his knowledge of installation of modern computerised accounts systems and tightening management accounting control systems plus the full range of Company Secretarial activities, can contribute to the efficiency and profitability of a company requiring these skills. Preference for Southern England or overseas. Currently *domiciled Gloucestershire.*

Please write Box A.7533
Financial Times
10 Cannon Street, EC4P 4BY

A Middle Eastern Bank

shortly opening in the West End of London
as a Licensed Deposit Taker
invites applications for the following positions:

FOREIGN EXCHANGE DEALER — An assistant to the Chief Dealer to deal in Foreign Exchange and money market with both customers and banks. Fluent Arabic and knowledge of the Middle East Markets is essential.

HEAD OF DOCUMENTARY CREDITS — To control a small but busy department. Experience of all aspects of Documentary Credits, Guarantees and Acceptances is required. Fluent Arabic is essential for this post.

***ASSISTANT TO THE HEAD OF DOCUMENTARY CREDITS* DEPARTMENT** — With experience in an International Bank of both opening and paying credits; in addition a general banking background is required.

HEAD OF ACCOUNTING — At least 5 years' experience of bank accounting and administration with particular emphasis on computer accounting. Previous experience of the IBM 34 computer will be an advantage.

A CLERK is required for Cash and Transfers Department, with experience in a similar position in an International Bank. A knowledge of Arabic is desirable.

FOREIGN EXCHANGE SETTLEMENTS CLERK *to provide the* back-up for th: Dealer. Experience in a similar position is necessary.

DATA INPUT CLERKS for Accounts Department with V.D.U. *experience.*

AUDIO TYPISTS

Please apply, enclosing a c.v., to Box A.7543, Financial Times
10 Cannon Street, London EC4P 4BY

THE ISLE OF MAN SUBSIDIARY OF

ARAWAK TRUST COMPANY

(CAYMAN) LIMITED

(A Trust Company based in the Cayman Islands owned principally by International Banks) seeks an

ADMINISTRATOR

TO DEAL WITH COMPANY ADMINISTRATION AND OFFSHORE BANKING

Applicants should have experience with a bank or trust company and an A.I.B. banking or trust diploma or be studying towards this or a similar qualification.
Mortgage facilities and other benefits are available

Please write giving details of experience, qualifications and present employment to:
Mr T. A. Barnham,
General Manager,
EUBONIA SERVICES CO LTD,
P.O. Box 34,
Douglas, Isle of Man

AREA MARKETING OFFICERS

Major international bank seeks to augment its Lending Officers and needs 3 area officers for Europe. Applicants should preferably be graduates, with good marketing experience and good linguistic skills in one or more European languages. Salaries to £15,000 plus benefits.

Please contact Mike Pope
01-236 0731

Q.S. Banking
Recruitment Consultants
30-31 QUEEN STREET, LONDON EC4

PR EXECUTIVE

For a challenging task, we seek experienced person over 25 with drive, to control a small but busy high-powered office that is developing the image in U.K. of major overseas clients. Good salary to match responsibility.

Write Box A7534, Financial Times,
10 Cannon Street, EC4P 4BY

ACCOUNTS MANAGER M/F with experience of in-house computer required for established translation Co. near West Ken. Tube. Sal. £7,000 neg. Tel: 381 0967.

Technical Directorate

The Institute of Chartered Accountants

London — to £13,000

As a result of internal promotion a vacancy has arisen for an Under Secretary in the Parliamentary and Law section of the Technical Directorate.

This position offers an exciting and challenging opportunity to a high-calibre young accountant who can communicate at a senior level with influential people in Parliament, Whitehall and the City. The work is extremely varied and technically stimulating. Some of the main subjects being covered are the Companies Bill, the audit and accounts of Government and proposed changes in company taxation. There is plenty of scope for future development either by promotion or by transfer to other sections within the Technical Directorate such as the Accounting Standards Committee. Candidates must be qualified accountants (male/female) preferably graduates in their late twenties. Salary will depend on age and experience. Ref. 1192/FT. Apply to R. P. Carpenter, FCA, FCMA, ACIS, 3 De Walden Court, 85 New Cavendish Street, London W1M 7RA. Tel. 01-636 0761.

Phillips & Carpenter
Selection Consultants

Banking Personnel

The premier name in Banking Appointments.

Late 20's ASST. LEGAL ADVISER to £12,000

If as a recently-qualified lawyer, you can offer at least three years' post-qualifying experience of commercial law preferably gained within a banking environment, our client a major International Bank, seeks just such a person for their expanding Credit Department.

Mid 20's LOANS ADMINISTRATION c. £8,000

Our current register of vacancies includes several excellent career openings for capable, experienced loans admin assistants in banks ranging from the new London branch of a major Continental Bank to one of the City's leading merchant banks. If you have the necessary background we'd like to hear from you.

Mid 20's JNR. ACCOUNT OFFICER c. £9,500

This exceptional career opportunity with a major International Bank calls for an ambitious, highly articulate banker with a firm grounding in current balance sheet spreading techniques and a good understanding of the administration of corporate loans.

For further details of these and the many other vacancies for which we are currently retained, please contact *one of the following consultants.*

MIRIAM CHANCE, TREVOR WILLIAMS and MARK STEVENS on 01-588 0781.

OUR NAME IS YOUR GUARANTEE OF CONFIDENTIALITY.
41/42 London Wall, London EC2. Telephone: 01-588 0781

CHIEF FINANCIAL CONTROLLER

Berkshire — **Circa £16,000 + car**

A subsidiary of an American Banking Corporation, one of the tenth largest in the United States and involved in Consumer and Commercial Finance are seeking a Chief Financial Controller to direct and co-ordinate the financial function of operating companies in Europe and Asia.

The requirement is for a qualified Chartered Accountant or equivalent, 35/50, with sufficient stature to direct and control subordinates in affiliate companies world wide. A certain amount of overseas travel is envisaged from the U.K. headquarters.

Benefits include an executive car, subsidised mortgage, B.U.P.A., non-contributory pension scheme and relocation expenses where applicable.

For further details telephone, in strictest confidence, 061 928 3664 or write enclosing full career details to:

HEWITT MANAGEMENT SELECTION
16/17 Stamford House, Stamford New Road, Altrincham, Cheshire, WA14, 1BL.

Investment Analyst

Robert Fleming, a leading City merchant bank, has a vacancy for an Investment Analyst to cover the pharmaceutical industry and related technologies on an international basis.

The ideal candidate will have had considerable experience of the industry gained either directly or as a financial analyst.

The position will involve following the relevant sectors in all major countries, visiting foreign markets, as well as working closely with the regional research desks. It will carry significant responsibility and opportunities exist for advancement within the UK and overseas.

Applicants, of either sex, should write enclosing curriculum vitae to:-
P.A.F. Gifford, Robert Fleming Investment Management Limited, 8 Crosby Square, London EC3A 6AN. Tel: 01-638 5858.

ROBERT FLEMING

R. P. Martin & Co Limited

are looking for two experienced Euro Dollar Dealers to join their expanding Short Date team and Currency Deposits Dealers who specialise in Yen, Swiss Frcs. or Marks.

Write in confidence to:

The Personnel Director
R. P. Martin & Co. Limited,
36/40 Coleman Street, London, EC 2R 5AN

JCB

INTERNATIONAL OPERATIONS MANAGER

JCB, the country's leading manufacturer and exporter of earthmoving equipment, requires a senior manager to head up the International Operations department.

This important position is responsible to the Managing Director of JCB Sales Ltd. and is based at the Head Office in rural Staffordshire.

The *multi-function department is responsible for export* finance and credit insurance, order processing, shipping and despatch, tenders and quotations and control statistics.

Applicants must have managerial experience gained in international trade, export finance and ECGD work. A knowledge of any of the other departmental functions will be an advantage. We offer an attractive salary and employment conditions.

Please apply to:
Alan Fernyhough, Director of Personnel
J. C. BAMFORD EXCAVATORS LIMITED
Rocester, Uttoxeter, Staffordshire ST14 5JP

APPOINTMENTS WANTED

YOUNG MALE

7-8 years gilt edge dealing experience seeks opportunity in an institution

Write Box A7542, Financial Times,
10 Cannon Street, EC4P 4BY

We are seeking an enterprising and self-motivated person, well connected with stockbroking and investment circles of the City, to promote and raise investment funds for property investment co-ownership trusts. Contact:

Ian Lerner
MEADE LERNER
Salisbury House, London Wall, London, EC2
Tel: 01-638 3909

JOBS COLUMN

Oxford bags pair, but still seeks quartet

BY MICHAEL DIXON

WHEN THE donnish day is done, I suspect that Uwe Kitzinger locks himself into his director's study at the Oxford Centre for Management Studies and cackles with competitive glee. At the same time Tom Lupton, head of Manchester Business School, may well be similarly behind closed doors sticking red hot needles into a wax figure bearing a black eyepatch, and so representing the same Uwe Kitzinger.

The reason is that the Oxford centre has within about the last six months pinched two of Professor Lupton's staff. One is Douglas Hague, the Manchester school's deputy director, who *from September* will be head of business strategy at Oxford. The other capture is John Purcell who from the same date will transfer between the same cities to be a fellow of the centre and an Oxford University lecturer in management studies, specialising in industrial relatons.

Since only two new full-time fellows have been appointed at the centre since Mr Kitzinger arrived there last autumn from the Inséad business school in France, this might fairly be said to be a case of every Oxford ball a Manchester coconut. Nor is the Financial Times entirely innocent of complicity therein. For it was this newspaper which let it be known that the Oxford hunt for new fellows was on.

Moreover, it still is. The current quarries are people, probably aged 40 to 60, whose careers include success as a senior company manager, consultant or academic—and preferably in more than one of those roles—in at least one of the three following brands of management.

The first is business strategy, by which is meant the continuous assessment of one or more wealth-generating organisations' relationship with the changing world, and the devising and putting into force of appropriate changes in the companies' activities.

Next is the similarly strategic management of businesses operating on an international scale, which places a particular emphasis on understanding of the complexities of the world's markets.

The third is the entire range of personnel management from determining what staff are needed, through training and industrial relations, to pensions.

Salary indicator is roughly £17,000. No cars or the like, but fellows are allowed, nay expected, to spend one day a week in their own consultancy, research or other work and have the academic prestige of being members of Oxford University's faculty of social studies and governing Congregation.

There will be no such scholarly dignity, and still less a four-day week for the fourth recruit wanted—to wit, a marketing manager. Which is probably why the salary indicator here is up to £20,000.

Candidates will need thorough knowledge of the management development field, including the design of programmes of learning particularly for senior executives. For catering to the needs of top managers either in groups from the same organisation or even as individuals is seen as the centre's main activity for the future. Much travel. Age 35-55.

Inquiries to the centre's director at Kennington, Oxford, OX1 5NY; telephone 0865 735422. And there's no need for Professor Lupton to prepare a wax image of and hot up the needles for the Jobs Column, because it would be happy to help him to get his own back, any time.

Growth policy

A NEW competitor for insurance businesses in London will soon be arriving in the City in the form of the Abu Dhabi National Insurance Company. It plans to open a representative office there in the autumn and has asked recruiter Stewart Mitchell of P-E Consulting Group to find the office's general manager.

Having branches in Saudi Arabia as well as its Abu Dhabi mainspring, the comapny at present has its main sources of income in oil and gas, construction, aviation and marine activities.

The newcomer will have to recruit the staff needed to run the City office as a "listening post, communications centre and meeting place to identify new business opportunities for ADNIC." Mr. Mitchell says. These are expected to be mainly in the reinsurance business in London, but the general manager will also be dealing directly with clients based overseas.

Candidates must therefore be keen and *capable business*-generators, having first-class connections with the insurance-broking fraternity in London. There is also a need for success in underwriting with a major company, preferably in reinsurance. Familiarity with the ways of the Middle East would be an advantage, but it is by no means a necessity.

As to the salary, the recruitment consultant's lips are sealed. But he does say: "ADNIC, I think, would want this manager to do very well indeed financially." And from those words I would estimate a basic salary of upwards of £20.000 with bonuses on top, plus a car and other perks of usual City munificence.

Inquiries to Stewart Mitchell at 1, Albemarle Street, London W1X 3HF; telephone 01-409 2669, telex 933783.

Personnel

NOW to Brussels which will be the base of two managers in the personnel trade wanted by consultant Nick Hankinson of Profile Appointments. Like the other headhunter to be mentioned later, he may not name his client and so promises that any applicant who so requests will not be identified to the employer without further permission.

Both of the Brussels posts are with the same multinational group whose corporate language is English. So other language skills, while helpful, are not essential.

One will be what Mr. Hankinson calls a "personnel generalist" with particular responsibilities for recruitment of all staff up to middle management for the Belgian office of a subsidiary which develops high technology products of data-processing type. Knowledge of this industry is wanted.

"There will be a heavy welfare and administration content, as is usual in a company employing some 21 different nationalities," the recruiter adds. There will also be travel, a basic salary equivalent to £12,000 or so plus numerous allowances and perks worth a further £8,000.

The other recruit will be the group's manager responsible for analysing and providing top management with information on the levels of pay and perks prevailing throughout Europe. Success in similar work is necessary, and so is more general personnel experience. Much travel in this job. Base salary about £18,000 with allowances etc, worth a further £12,000.

Inquiries to Nick Hankinson at 114 New Bond Street, London W1Y 9AB; tel. 01-409 0085.

Antipodes

TODAY'S last is in Melbourne with an Australian market research agency, and is offered through George Cross of Reed Executive Selection, 2nd Floor, 192 Bishopsgate, London EC2M 4NR; tel. 01-283 9863. Candidates must have risen to senior rank on successful market-research work over at least five years, be used to dealing with senior managers of client concerns, and be willing to work a minimum 50-hour week.

At about A$50,000 the salary represents but a little less than £29,000 at the current exchange rate, and I've heard that Australian living costs are about 15 per cent cheaper than ours.

هكذا من الأصل

European Accounting Co-ordinator

apple computer inc.

Slough then Paris — **c. £16,000+car**

Apple Computer International is the world leader in personal computing. Expansion into Europe will accelerate their impressive growth and earnings record.

Reporting to the European Controller, the job takes responsibility for driving the European accounting schedule. US reporting standards are in use with tight deadlines. The challenge is to interpret, rather than just record, and to help the evolution of systems.

Probably under 30, candidates will have had relevant post-professional experience in a multi-currency environment following US procedures. Knowledge of accounting for inventory and the transfer of goods is desirable. Mobility is essential, both to travel, and to relocate to Paris in 1982. Ambition and commitment will fit well with the *management team.*

Please reply in confidence giving concise career and personal details and quoting Ref. U909/FT to P. J. Williamson, Executive Selection.

AYMS
Arthur Young Management Services
Rolls House, 7 Rolls Buildings
Fetter Lane, London EC4A 1NL.

Fixed Interest
Major Firm

Our client, one of the leading U.K. firms of Stockbrokers with an excellent reputation internationally, seeks an able specialist to play an important role in the further development of their fixed interest business.

Candidates should be graduates in their late twenties or thirties with a sound understanding of the fixed interest market. This will probably have been gained in a sales capacity with a firm of Stockbrokers but possibly as an analyst or *fund manager with an Institution.*

The position will involve taking on considerable sales responsibility for an established team which has gained an excellent corporate standing in the City. It is envisaged that this will appeal to an ambitious individual who now wishes to join a highly regarded department and firm.

Remuneration, by way of good basic salary and bonus, will fully reflect experience and ability.

For an initial talk please contact F. J. Stephens who will treat all enquiries in the strictest of confidence.

Stephens Associates
International Recruitment Consultants
35 Dover Street, London W1X 3RA. 01-493 0617

International Investment Management

Kleinwort Benson Investment Management Limited is seeking a Fixed-Interest Portfolio Manager to assist in the expansion of its international business. The successful candidate is likely to be aged 23-28 with an economic training and experience of the international bond and currency markets, and must be able to communicate effectively with major institutional clients.

The appointment will offer a competitive remuneration package and attractive career opportunities within Kleinwort Benson's growing international investment operations.

Applications, with curriculum vitae, from suitably qualified men and women should be addressed to:
P. F. G. Barnes, Assistant Director, Personnel,
Kleinwort, Benson Limited, 20, Fenchurch Street, London, EC3P 3DB.

KLEINWORT BENSON
Merchant Bankers

Leading international consultancy, part of substantial group, seeks commercially-orientated accountant . . .

EUROPEAN CONTROLLER

London — **£16-18,000+Car, etc.**

Our client is a specialist consultancy — world leader in its field, and part of a substantial diversified *international* financial services group. A network of offices serves the European market, controlled from the regional headquarters in London. Worldwide consulting income exceeds £50 million.

A broad commercial role is envisaged for the European Controller, which, in addition to financial management, *performance reporting, planning and taxation matters will also encompass administration* and *organisational* management, systems development etc. Some European travel will be necessary.

Candidates should be qualified accountants aged in their 30's with a track record of success, probably within a multinational environment. Exposure to U.S. accounting methods would be an advantage. A well developed business sense and sound interpersonal skills are prime requirements.

Written applications containing career details should be forwarded, in confidence, to Anthony J. Forsyth, B.Sc., at 410 Strand, London WC2R 0NS, telephone 01-836 9501, quoting reference number 3289.

DOUGLAS LLAMBIAS DLA
Douglas Llambias Associates Ltd.
Accountancy and Management Recruitment Consultants
and at 26 West Nile Street, Glasgow G1 2PF (041-226 3101)
3 Coates Place, Edinburgh EH3 7AA (031-225 7744)

ASSUME TOTAL RESPONSIBILITY
For Financial Control
c. £12,500 + Car + Bonus

As a successful, qualified Accountant, with at least two years' manufacturing accounting experience, you will now be intent on becoming fully responsible for the financial affairs of this UK subsidiary of a multinational Company, operating in the surgical equipment field and based in West London.

Reporting to the Financial Director, your responsibilities embrace total control of the financial reporting system, preparation of Budgets and Forecasts, forward planning of cash requirements, and the provision of monthly management accounts to European and U.S. headquarters.

Probably in your late 20's, your knowledge of standard costing in a computerised environment will be invaluable. In addition, you will have successful staff management experience, be systematic but adaptable in approach and able to work under pressure.

You will receive an excellent salary, BUPA, Pension/Life Assurance and relocation assistance if appropriate. *Interviews will be held soon,* so if you want real responsibility ring or write now to me, Stephen Boyd, Cripps, Sears & Associates (Personnel Consultants), Burne House, 88/89 High Holborn, London WC1V 6LH. Tel: 01-404 5701 (24 hours). Telex: 893155 CRIPPS G.

(This appointment is open to both men and women)

Cripps, Sears

Foreign Exchange Dealing Marketing Specialist

Attractive Negotiable Salary — **City Based**

Our client is a City based international bank — with a difference. Different because the average age of senior management is in the mid-thirties range and different because they are exceptionally successful and growing rapidly.

Currently the Treasury Department is seeking to employ a dealer experienced in foreign exchange and money markets to supplement its existing marketing team.

Applicants, preferably in their mid 20's/early 30's, should have a solid background in FX gained in the dealing room of a bank. Personal skills are important in this position and an outgoing personality combined with good communicative abilities are essential requirements. The position will involve international travel, but the extent of this will in some part be dependent upon the individual who gets the job.

The person appointed to this position will have the opportunity to develop their career in one of the most dynamic International Banking environments in the U.K. and will receive an unusually attractive benefits package.

For further details, telephone or write to Kevin McCourt quoting Ref. 5217.

Lloyd Chapman Associates
123, New Bond Street, London W1Y 0HR 01-408 1670

THE BRITISH COUNCIL OF CHURCHES
DIRECTOR, CHRISTIAN AID

Applications are invited for this senior post which falls vacant on the retirement of Rev. Dr. Kenneth Slack in July 1982.

The person appointed *must be a leader with administrative* capacity, proved ability in speech and writing, an understanding of the theological basis of Christian Aid's work and of development issues and the capacity to lead a staff of 130.

The applicant *must be a member in good standing of one* of the churches in membership with the Council of which the Director is an Assistant General Secretary.

Application forms and further details are available from:
The General Secretary,
BRITISH COUNCIL OF CHURCHES
2 Eaton Gate,
London, SW1W 9BL.

Closing date for completed application forms to be submitted by:
28TH AUGUST 1981

ACCOUNTANT

Long-established travel agents, part of major international freight forwarding group, require a qualified Accountant aged 28-40 to manage a computer-related accounts department with 15 staff and prepare management reports and financial accounts.

Applicants must have a comprehensive range of experience and a proven record of managerial ability in a commercial enterprise.

This is a position of considerable responsibility with commensurate salary and fringe benefits.

Applications, which will be treated in strict confidence, should state personal, career and salary particulars and be addressed to *Personnel Manager, Lep Travel Limited, Sunlight Wharf, Upper* Thames Street, London EC4P 4AD.

GROUP FINANCIAL CONTROLLER

Thomson British Holdings Ltd., is the holding company for the U.K. based operations of International Thomson Organisation Ltd. Its activities include newspaper, magazine, directory and book publishing, travel and North Sea oil, with a turnover of £930m.

We are looking for a Group Financial Controller to succeed the present incumbent who is moving to one of the Group's activities in the United States. Reporting to the Group Financial Director the successful candidate will have responsibility for:

- *Development of Group planning and control* systems, within the management structure and philosophy determined by the board.
- Group internal accounting systems and public accounting.
- Group Treasury functions, which handle all Group cash and banking arrangements.
- The Group's professional relationships with auditors and bankers.

Other duties will include co-ordinating investigations and assisting in negotiations concerned with the *Group's acquisition programme.*

Crucial to the success of the job will be the establishment of smooth working relationships with Group and Divisional Directors and senior functional executives, with whom there is close involvement in the complex financial planning matters inherent in a multi-national Organisation.

We expect the successful candidate, a qualified accountant, to have had several years work experience at high level within the Finance Department of the headquarters of a corporate company with international interests.

Salary is negotiable. Fringe benefits include a company car, five weeks annual holiday, and free B.U.P.A. Please write giving detailed information on your background and career to date, in strict confidence to:
D. H. G. Rose, Group Personnel Director,
Thomson British Holdings Ltd., Thomson House,
P.O. Box 4YG, 4 Stratford Place, London W1A 4YG.

THOMSON BRITISH HOLDINGS LIMITED

ACCOUNTANTS

WELL-KNOWN CITY BANKERS ARE IN NEED OF THE FOLLOWING

FINANCIAL ACCOUNTANT — Age 30-45—to £20,000
(must be qualified with banking/financial exp.)

SENIOR PROJECT ACCOUNTANT — Age 29-45—£11,000
(must be able to supervise, with banking or financial background)

PROJECT ACCOUNTANTS (2) — Age 24-30—£10,000
(newly qualified with min. 2 years commercial exp.)

For further details please ring:
Miss Demmel on 01-488 4746 - Keystone Emp. Agency

Recently qualified Chartered Accountant

c. £11,000

BICC is one of Britain's largest international engineering and contracting organisations with a growing involvement in the new techniques for the electrical, electronics and telecommunications industries.

Promotion within the Group has created a vacancy for a recently qualified chartered accountant.

The position is based at our Head Office in London where you will join the multi-disciplined Group Finance Department dealing with a wide range of financial and accounting problems on an international scale. You will work with a small team responsible for planning and preparing BICC Group *quarterly management information*, annual budgets and year-end consolidated accounts, the analysis of associated data and the incorporation of accounting standards and company legislation into uniform accounting procedures.

Aged between 23 and 27 you will ideally be a graduate, have qualified in a major accounting firm and be looking for your first opportunity in industry.

Please write, with full details, to:—
A. G. Weller, Group Chief Accountant,
BICC Limited, 21 Bloomsbury Street, London WC1B 3QN.

BICC

A New Lifeline for the Redundant
Senior Executive

Everybody sympathises with the redundant employee. But who is sensitive to the exceptional difficulties of senior management in this position?

Prospect was formed to provide residential career counselling and practical assistance on a par with your own status.

We offer the U.K.'s first Redundancy Counselling Programme designed exclusively for senior people. A concentrated, intensive programme to help you resume your successful career path.

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FT 5

PROSPECT Career Development and Management Company Ltd.
Freepost 37, LONDON W1E 5YZ.
Tel: 01-491 3760 or 01-493 1066 (24hr answering service).

Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

BOND SALES: SNR. EXECUTIVE to £20,000	Respected investment house seeks an additional experienced Executive, who will have varied involvement within a compact professional team servicing British and international institutions. Opportunity to move to an attractive name offering high rewards in terms of job satisfaction, salary and benefits.
U.K. LENDING OFFICER to £16,000	Young, ambitious graduate banker (mid-late 20s) sought for U.K. business development rôle with prominent, expanding European bank. Candidates should have current experience of marketing an international bank's U.K. lending services.
DEPOSIT DEALER £10-15,000	Aged 25-30, with 3 years' experience in an active F.X. room with emphasis on currency deposit dealing. Two positions available, each with a small/medium-size European bank.
A.C.A. £9-11,000	Two international banks each seek a young, qualified Chartered Accountant for a career appointment within management accounting systems development.
D.P. SYSTEMS ANALYST £9-11,000	Challenging rôle within respected European bank's systems development team. Ideal candidate would have 3-5 year D.P. track record, including financial systems work and knowledge of Cobol.
JNR. CREDIT ANALYST c. £6,500	Well-educated young banker (early 20s), experienced in analysis of corporate b/s, sought by well-established European bank. Appointee will work on own initiative as No. 3 in 5-strong Credit Department.

For further details, please telephone David Little or Brian Gooch

First floor—entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

BANKER - SYNDICATED LENDING

35-40 City £19,000-£22,000

Our client, a major overseas bank, will shortly appoint a senior manager to its European Division located in London. His/her responsibilities will include:-

- Supervision and control of the Division's syndicated Euro lending portfolio.
- Development and marketing of the Division's syndicated Euro lending capacity.
- Development of syndication business with both existing and potential borrowing connections.
- Negotiations with borrowers and/or other lenders.

The ideal candidate will now be working actively in this field with either a major international or merchant bank and will have a good and proven grasp of all aspects of syndicated Euro currency lending. The position will demand an outgoing personality with strong marketing skills who will be able to take charge of a small syndications unit and provide a considerable contribution towards expanding the scope and scale of the business.

This is a new appointment and offers an unusual opportunity for a professional banker to advance his/her career.

A substantial salary will be negotiated and the overall package will include attractive fringe benefits.

Please apply to Jock Coutts.

Chichester House, Chichester Rents. **Career plan** LIMITED London WC2A 1EG. Tel: 01-242 5775

PERSONNEL CONSULTANTS

Financial Controller

North London to £14,000+car

Entrepreneurial in style, the company markets quality products in a growing market sector. Recent rapid expansion has exposed weaknesses in control, leading to a profit reversal. Nevertheless, the company is securely financed and has a healthy order-book. Turnover is approaching £10m.

The prime function of this appointment is to take responsibility for all accounting and management information, allowing the MD to devote more time to planning the company's future. Major tasks include the development of computerised systems, cash planning and assisting in financial negotiations. Future responsibilities need not be restricted to the financial function.

Candidates, aged around 30, must be qualified accountants with direct experience of the importing, marketing and distribution of high volume products. Exposure to computerised accounting systems is desirable. An enthusiastic, open-minded attitude to work is essential.

Please reply in confidence giving concise career and personal details and quoting Ref. U910/FT to P.J. Williamson, Executive Selection.

AMS Arthur Young Management Services, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL.

International Banking

GEISCO* is a leading supplier of worldwide Remote Computing Services to the Banking industry. In London alone, over 120 banks use our service for a wide range of application areas.

Our banking team in London is a blend of qualified bankers and experienced systems professionals, who work closely with their GEISCO colleagues in the other major banking centres around the globe.

In order to accelerate our growth rate and penetration of the International Banking Systems market, we are currently seeking the following:

Banking Consultant

You will have a minimum of 3 years' experience in International Banking, probably holding an A.I.B. or equivalent professional qualification. You must also have an awareness of the impact of computerisation on a bank's operations and profitability. You will be required to demonstrate the ability to communicate effectively at a senior level.

The prime responsibilities of this post comprise the marketing and selling of our current and planned banking products both locally and internationally.

Banking Software Specialist

You will have 3/4 years' experience in systems design and/or implementation, gained either within a bank or a software house. In particular you will be required to demonstrate proven experience in evaluating the requirements of functional areas within a bank. Preferably you will have experience in one or more of the following: BONDS, ACCOUNTING, SYNDICATED LOANS, FX, CASH MANAGEMENT.

If you are the right applicant, male or female, for either of these positions, an appropriate remuneration package will be assured.

Ring Chris Cope on 01-242 5725 to discuss informally the contribution you could make to our team. Or write to him enclosing full CV at, GEISCO Limited, 114-118 Southampton Row, London WC1B 5AB.

GEISCO

*General Electric Information Services Company of the USA, is not connected with The General Electric Company Limited of England.

GENERAL ELECTRIC

KCA International Limited require a Public Relations and Advertising Officer

KCA International, a fast expanding British public company involved in all aspects of the international oil industry requires an Advertising and Public Relations Officer. Based at the company's London Head Office, the successful applicant will manage, co-ordinate and develop the company's existing internal and external communications activities.

Applicants will have a widespread knowledge of advertising and public relations and may also have some experience of the oil industry. An attractive salary and other benefits are offered for this demanding and stimulating appointment.

Applications in confidence to: J. A. C. Goodger, Financial Strategy, 25 Bedford Square, London W.C.1. Tel: 01-637 7961.

CHIEF ACCOUNTANT

Central London c.£12,500+car

The newly created advertising agency Lowe & Howard-Spink wishes to recruit an able young qualified accountant to join their team and to develop appropriate systems and controls.

The first task will be to establish appropriate systems to control day-to-day media bookings, production operations and client billings, and then to develop costing, budgeting and cash control procedures; the volume of business will justify computerisation at an early stage.

Candidates, preferably aged 28+ must be familar with advertising agency accounting and computer based systems, and should have the flexibility and personality to grow with a dynamic organisation. The salary is negotiable around £12,500 p.a., plus car and usual benefits.

Applicants, male or female, should write in confidence with full details of previous experience and current salary, quoting reference L1740 to J. W. Hills at:-

Annan Impey Morrish,
Management Consultants,
40/43 Chancery Lane,
London WC2A 1JJ.

A.I.M.

R-H

EUROPEAN CONTROLLER

Berks c£20,000 + car

A leading company at the forefront of the computer industry offers an unique and challenging role to a qualified accountant with controllership experience in a manufacturing environment. The European controller is responsible for both co-ordinating and controlling financial and operational systems within Europe. Apart from considerable technical ability, good staff management skills are vital for this key role. Applicants should be aged 35-45 and possess a record of rapid advancement.

REGIONAL CONTROLLERS

Italy & Spain $ Substantial

A large American Corporation, with a world wide reputation for quality products, seeks two senior accountants. The positions will take responsibility for planning, forecasting and system development as well as servicing the day to day financial control of the company. Reporting to the Managing Director the successful candidates will have excellent opportunities for career development in Europe or the U.K. Fluent Italian or Spanish as well as English is essential.

ASST. EUROPEAN CONTROLLER INTERNATIONAL BANKING

Qualified CA with sound banking experience? If so, you may be interested in joining the London branch of one of the world's leading banks. You would be actively involved in the management reporting for the European and Middle East sectors your reports being directed to senior management in the U.K. and in the bank's world head office.

Salary will be negotiable around £12,000 plus excellent banking benefits.

CITY CAREER

A major financial institution has created several outstanding career opportunities. Management and computer systems auditors are required to identify opportunities for improvement of operational efficiency and managerial control throughout the undertaking. An accounting qualification would be a distinct advantage as would a broad knowledge and practical understanding of computers for accounting/control purposes.

Salary dependant on age and experience in a range £10,000 to £14,000.

CORPORATE PLANNING

N. London c £11,500

A singular opportunity to be the only qualified accountant in a young, multi-disciplined team. The work is stimulating and varied, centering upon financial appraisal, economic and financial analysis. The department reports to the Board of a well known manufacturing group which markets its products worldwide. Previous experience in a manufacturing company is essential if success is to be achieved in this career route to controllership level.

ARAB EMIRATES

Middle East £V.Neg. Tax Free

With an enviable success record in the U.K. our Midlands based client needs a qualified accountant to co-ordinate it's expanding Middle East operation. Overseas employment within this group forms part of a planned career path which will be safeguarded back in the U.K. Applicants must have single status, have worked abroad previously, be able to control the entire accounts/admin functions and contribute to the overall commercial success. Outstanding benefits. Phone Midlands Office 021-643 1663.

Lee House, London Wall, London EC2Y 5AS Tel: 01-606 6771

ROBERT HALF
Accountancy & Financial personnel specialists

GENERAL MANAGER Banking

EAL

Wardley Limited, the Far East based Merchant Banking Group, seeks a General Manager for Wardley International Bank Ltd, a fully fledged banking operation, in Nassau, to take Wardley non-Hong Kong Dollar deposits and to fund an offshore loan portfolio. The successful candidate must be a sophisticated banker experienced in FX and multi-currency trading.

He will be responsible for the training and control of around 20 staff. The attractive package includes cost of living allowance, profit share, free accommodation and house purchase/re-financing scheme. Also life and medical insurance, six weeks holiday, re-location assistance, leave passage allowance. Car provided. Progressive future. Preferred age in 30's. (SW.687)

Candidates male or female should write briefly and in confidence to the Managing Director, Exe..tive Appointments Limited, 18 Grosvenor Street, Lo.don W.1, quoting reference. No identities divulged without permission.

PORTFOLIO INVESTMENT MANAGEMENT

An Assistant required for the Fund Manager of a London Company specialising in Private Client Portfolio Investment at home and overseas. Applicants should have some experience of discretionary and trust portfolios gained within the Private Client department of an Institution or Stockbroker and have knowledge of both U.K. and international markets. The ability to work in a small, highly professional company, is essential. The work includes the writing of reports, preparation of investment schemes, the analysis of Companies and the study of Market trends. Age up to 30, salary negotiable according to experience: bonus and pension scheme.

Reply to Box A7598 Financial Times, 10 Cannon Street, EC4P 4BY

Analytical Accountants

C. London £10-13,000

Our client forms the Headquarters of one of the world's most successful marketing and manufacturing organisations.

Following internal promotions, they now require two young ambitious accountants, one in each of the following business areas:

- Currency Planning – Analysing the impact of exchange rate movement to enable effective business decisions to be made.
- U.S. Reporting – Controlling and analysing divisional reports for consolidation and reporting to the American parent company.

You will be aided in these functions by sophisticated computerised systems and analytical tools.

Ideally aged 25/30 you will be a qualified accountant and preferably a graduate. For the currency planning position it is also likely that you will have had at least 2 years post qualifying experience.

Although your qualification and a good professional background are essential, more important still are the personal qualities you will need to succeed: energy, self-motivation, ambition and flair should be combined with real management potential and a genuine desire for total involvement.

Please telephone or write to Rebecca Goddard quoting Ref. RG 5739.

Lloyd Chapman Associates
123, New Bond Street, London W1Y 0HR 01-499 7761

Partnership Secretary/Accountant

City c. £17,500

A well established, professional firm, a leader in its field, with offices in the City and elsewhere in the UK, seeks a Chartered Secretary or Chartered Accountant in the age range 40 to 50. Reporting to the Senior Partner, responsibilities will include secretarial and financial administration, servicing two committees and overseeing the City office facilities.

For this position, crucial to the partnership's future plans, candidates must be experienced in the broad range of secretarial practice including legal and insurance matters, and in particular have recent experience of partnership accounts and taxation and also of modern accounting techniques. Salary negotiable; non-contributory pension; other benefits.

In view of the urgency in making this appointment please write – in confidence – with full details. These will be discussed with our client: please list separately any companies with whom we may not do so. P. E. Lewis ref. B.19174. MSL Chartered Secretary, Management Selection Limited, 52 Grosvenor Gardens, London SW1W 0AW.

This appointment is open to men and women.

MSL CHARTERED SECRETARY

Director-Finance and Administration

c. £16,000

A leading firm of British consulting engineers seeks a Director of Finance and Administration; this is the most senior non-technical post within the partnership. The prime task will be to ensure effective financial and business management of the firm's activities at home and overseas. In addition to having overall control of financial and budgetary matters, he or she will be responsible for personnel and office management in the UK. Applicants, aged 40-50, will be chartered accountants whose commercial experience has been gained ideally in a professional organisation or service industry. Familiarity with overseas taxation and foreign currency implications is clearly very desirable. Salary will be negotiated around £16,000 and other benefits include car and contributory pension. Location: Central London.

Write for an application form or send brief CV to the address below, *quoting ref: AA3/7692/FT on both letter and envelope,* and advising us of any other applications you have made to PA Personnel Services within the last twelve months. No details are divulged to clients without prior permission. Initial interviews will be conducted by PA Consultants.

PA Personnel Services
Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

Financial Controller

Prospect of Board Appointment in the short/medium term

West Surrey to c.£13,500

We are seeking a commercially aware, qualified Accountant, ACA/ACCA/ACMA, male or female, 30/35, having broadly based experience in a manufacturing or service company environment, preferably at chief accountant or controller level, now wishing to develop through financial control to the Board.

Reporting to the Financial Director and supervising over 30 staff, you will be responsible for the effective management of the accounting function, the timely production of management accounts to Group, and the production of periodic business forecasts, annual budgets etc., monitoring the implementation of management decisions and policies including the installation of computer-based systems.

Our Client is the successful subsidiary of a major UK, publicly quoted Group, and employs over 500 in their specialist field of technology.

Please telephone for an application form, quoting Ref: 950

Management Personnel
Recruitment Selection & Advertising Consultants
York House Chertsey Street Guildford Surrey
GUILDFORD [0483] 64857

LONDON STOCK EXCHANGE

Government stocks rise for third successive session
Continued fund-raising speculation subdues equities

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
May 18	May 28	May 29	June 8
June 1	June 11	June 12	June 22
June 15	June 25	June 26	July 6

* "New-time" dealings may take place from 9.30 am two business days earlier.

For the third successive day, Government securities made the running in London stock markets. Falling short-term interest rates in money markets, yesterday's further improvement in sterling and last month's banking statistics all contributed to the Gilt-edged market's continued firmness. In marked contrast, the tone throughout the equity sectors was again subdued.

Once again, short-dated government stocks came more into their own with the emphasis on issues maturing in 1982/83. Gains in this area stretched to ⅛. Treasury 9½ per cent 1983 rising that much to 92½ ahead of being quoted ex-dividend today. Investment funds were less forthcoming for medium/longs, but quotations moved up a maximum of ¼ more in the absence of sellers. Late news of U.S. Prime Rate falls to 19½ per cent underpinned the market.

Persisting speculation that a major fund-raising operation was in the offing inhibited investment interest in equities. It was rumoured that British Petroleum was considering some form of Convertible or multi-currency offering involving the raising of £500m plus. BP opened higher yesterday morning but, despite considerable support, came back to close only marginally better on balance.

The market atmosphere was not conducive to trade of any size and other leading shares drifted lower throughout the session. Measuring the trend, The FT Industrial Ordinary share index slipped back 3.3 more to 542.3, its lowest for over two months. Banks lost some of Tuesday's gloss which reflected U.S. bid hopes, while Composite Insurances turned down on profit-taking.

Composites sold

Reflecting the paucity of business in the underlying securities, the number of Traded Options done yesterday fell to 931 from the previous day's 1,184. Most of the activity centred on calls which recorded 817 trades with 207 being transacted in P&O Deferred.

Following the result of Allianz's tender offer for a further 15 per cent of the shares in Eagle Star — the former acquired 17.8m more at the maximum price of 290p per share to take its stake to 28.1 per cent — dealings in Eagle were resumed at 288p and in moderate trading drifted down to close a penny cheaper on balance at 282p. Other Composites succumbed to profit-taking after the recent good showing on bid hopes. **Royals** fell 12 to 378p **Phoenix** 10 to 276p and **General Accident** 10 to 318p. **GRE** shed 8 to 298p and the new nil-paid dropped 12 to 48p premium, while **Commercial Union** declined 6 to 166p.

Interest in the banking sector waned considerably after the previous day's excitement generated by suggestions that a favourable Monopolies Commission ruling on Hongkong and Shanghai's bid for Royal Bank of Scotland could lead to a U.S. bid for a British bank. Apart from **Bank of Scotland**, which hardened 2 for a two-day advance of 22 to 372p, the trend was to lower levels with the majors ending up to 4 lower. Foreign issues were featured by a jump of 10 to 43p in the **Singapore Kah Wah Bank**.

Comment on the half-yearly figures stimulated a little early buying interest in **Bass** which closed a penny dearer at 242p, after 243p, but little else worthy of note developed in the Brewery sector.

Leading Buildings lacked support and closed on a dull note. **Blue Circle**, 468p, and **Ready Mixed Concrete**, 179, shed 4 apiece, while **Tarmac** gave up 6 to 368p. **Tunnel B** lost 12 to 430p in the absence of fresh bid developments; original bidders **T. W. Ward**, whose offer for the company lapsed on Monday, shed 5 to 125p. Against the trend, **Rugby Portland Cement** firmed 1½ to 78p as Bell Group of Western Australia disclosed a 5.02 per cent stake in the company. Contracting and Construction issues had **Taylor Wodrow** 11 of at 550p and **Wimpey** 2 cheaper at 111p. **Fairclough** eased 3 to 119p and **Mowlem** 2 to 166p.

Polly Peck up again

Interest in the Stores sector again centred on selected secondary issues. Renewed speculative support on talk of a pending broker's circular helped **Polly Peck** rise 8 further to 308p and **Cornell Dresses** 7 more to 162p. **Northern Goldsmiths** hardened 2 to 58p in response to the increased dividend, while **Owen Owen** improved 5 to 265p on renewed support. **H. Samuel A**, on the other hand, lost the turn to 154p on uninspiring figures.

S. and U. eased a penny to 13½p and the Preference lost 4 to 18p following the dividend omission and second-half profits decline.

Leading Electricals rarely strayed far from overnight levels. Elsewhere, **Concord Rotaflex** met selling and gave up 3 to 44p, but revived speculative support left **Lec Refrigeration** 4 to the good at 206p.

Interest in the Engineering sector was confined mainly to companies making trading statements. **Westland** fell to 141p before settling at 144p, down 10 on balance, the satisfactory half-yearly results being outweighed by the statement on the outlook. **B. Elliott** dropped to 148p on the reduced dividend and profits before recovering to 167p and closing 2 better on the day at 165p, while better-than-expected preliminary results left **Pegley-Hattersley** 8 to the good at 176p. **United Spring** reacted 2 to 16p following the half-year loss and passing of the interim dividend. Inclined easier for most of the day, leading issues picked up to finish little changed on balance.

Sketchley firm

Foods were quietly dull. **British Sugar** shed 5 to 313p; S. and W. Berisford's 335p per share offer for the company closes next Monday. **Unigate** eased 1½ to 99½p, while **Associated British Foods**, a good market since the preliminary results, softened 2 to 142p. Elsewhere, recently firm **R. Paterson** encountered profit-taking and shed 4 to 60p.

Sentiment in the miscellaneous industrial leaders was unsettled by continuing talk of an imminent rights issue from BP. Closing falls ranged to 6 with **Metal Box** that much down at 180p, still reflecting comment on the results. **Turner and Newall** cheapened 3 to 91p, after 90p. Elsewhere, **Sketchley** rose 6 for a two-day gain of 11 at 246p following comment on the preliminary results, while **Thomas French**, 120p, and **Hanson Trust**, 272p, both improved 3 on trading statements.

Motors featured **Lotus Car** which rose 5 to 32p on news that the company had signed a co-operation agreement with Toyota. Components followed the general trend.

Secondary issues provided the main points in Properties. **Daejan** closed 6 up at 190p, after 192p, and **Marler Estates** 3 dearer at 88p on renewed speculative interest, while further demand in a thin market lifted **Churchbury Estates** 10 to 640p. **Beaumont** improved 3 to 122p, but **Great Portland Estates** eased 2 to 226p; the latter's preliminary results are now scheduled for today. Elsewhere, **Daon Development Corporation**, the Canadian and U.S. property developer, fell 80 to 460p on sharply lower first-half earnings.

BP nervous

Conditions in the Oil market remained extremely sensitive as talk of a big rights issue from BP persisted yesterday. **BP** opened higher at 360p, but revived selling took the price back to 352p before a recovery which left the close 2 firmer on the day at 356p. Trading elsewhere in the sector was slow, but most quotations finished higher on the day after showing modest losses. **Lasmo** closed 8 to the good at 528p, after 517p, while late support left **Tricentrol** 10 up at 230p.

Among Shippings, **Lofs** reacted 3 to 41½p on the pre-tax loss for the year.

Beralt advance on bid

Tin and woolfram producers provided the highlights in an otherwise subdued mining market.

Beralt Tin and Wolfram were marked up to a year's high of 103p, prior to closing a net 25 up at 100p following **Charter Consolidated's** bid of 110p in cash for the public shareholdings, which account for approximately 32 per cent of Beralt's issued capital.

Geevor, the Cornish tin mine, fell 15 to a 1981 low of 115p following the passing of the final dividend and the continued losses in the second half.

South African Golds lost ground despite the firmer bullion price. Lack of interest saw share prices drift lower although the Gold Fields mines, which declared better than expected dividends on Tuesday, generally managed to hold their overnight levels and in one or two cases showed minor gains.

The further appreciation in sterling against the Australian dollar coupled with disappointment with the latest results from the Blina 1 well in the Canning Basin left Australians showing substantial losses.

The Canning Basin oils were featured by **Vamgas**, 50 down at 737p, **Eagle Corporation**, 8 lower at 42p, **Swan Resources**, 7 cheaper at 63p and **ACM**, 5 off at 28p. **Oil Company of Australia** eased 2 to 29p.

FINANCIAL TIMES STOCK INDICES

	June 10	June 9	June 8	June 5	June 4	June 3	A year ago
Government Secs....	66.19	65.81	65.57	64.94	66.05	67.19	68.03
Fixed Interest..........	67.85	67.21	67.17	67.25	67.72	68.52	68.64
Industrial Ord..........	542.3	545.6	547.9	546.3	555.5	546.7	446.9
Gold Mines..............	336.7	338.9†	333.2	352.6	353.4	353.6	327.4
Ord. Div. Yield.........	5.94	5.91	5.90	5.92	5.89	6.01	8.03
Earnings, Yld. %(full)	11.81	11.76	11.72	11.80	11.57	11.76	19.34
P/E Ratio (net) (*).....	10.57	10.61	10.64	10.57	10.78	10.60	6.29
Total bargains..........	19,103	19,740	20,831	20,546	19,127	18,288	18,003
Equity turnover £m..	—	131.83	110.80	168.64	159.89	130.47	95.65
Equity bargains.........	—	15,469	15,411	15,849	15,181	14,212	14,017

10 am 545.4. 11 am 543.7. Noon 541.8. 1 pm 542.0. 2 pm 542.0. 3 pm 541.7.

Latest Index 01-246 8026

*Nil=9.78.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

† Correction

HIGHS AND LOWS

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (20/3)	64.94 (5/6)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int ...	72.01 (20/3)	67.17 (8/6)	150.4 (28/11/47)	50.53 (3/1/75)
Ind.Ord.	597.3 (30/4)	446.0 (14/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	431.1 (6/1)	281.4 (29/1)	558.9 (22/9/80)	43.5 (28/10/71)

S.E. ACTIVITY

	June 9	June 8
—Daily Gilt Edged Bargains...	206.7	209.2
Equities........ Bargains...	100.2	99.8
Value	266.5	223.9
5-day Avrge. Gilt Edged Bargains...	184.5	178.1
Equities........ Bargains...	98.6	98.6
Value	263.6	289.9

NEW HIGHS AND LOWS FOR 1981

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981.

NEW HIGHS (31)

- **AMERICANS (4)**: Bankers N.Y., Colt Inds., Barnes Group, Morgan (J. P.)
- **BANKS (1)**: Wintrust
- **CHEMICALS (2)**: Bayer AG, Thurgar Bardex
- **STORES (4)**: Cornell Dresses, Owen Owen, Lincroft Kilgour, Polly Peck
- **ELECTRICALS (3)**: Lec Refrigeration, Utd Scientific, Pifco A
- **ENGINEERING (2)**: Haden Carrier, Torrin
- **FOODS (1)**: Morrison (Wm.)
- **INDUSTRIALS (4)**: China Light, Monsanto 5pc, Hutch. Whampoa, Renown Inc.
- **INSURANCE (1)**: Travelers
- **MOTORS (1)**: Lotus Car
- **NEWSPAPERS (1)**: Assoc. Book Pubs.
- **PAPER (2)**: Eucalyptus, Mills & Allen
- **PROPERTY (1)**: Churchbury Ests.
- **SHIPPING (1)**: Sea Containers
- **TRUSTS (1)**: Stockholders Inv.
- **TEAS (1)**: Assam Dooars
- **MINES (1)**: Beralt Tin

NEW LOWS (29)

- **BANKS (2)**: Union Discount, Cie. Bancaire
- **ELECTRICALS (1)**: Scan Data
- **ENGINEERING (3)**: Brit. Aluminium, Wellman, Utd. Spring
- **INDUSTRIALS (2)**: Gieves, Ricardo
- **LEISURE (1)**: Man. Agcy. & Music
- **MOTORS (2)**: Plaxton's, Attwood
- **NEWSPAPERS (2)**: Int. Thomson, Int. Thomson Conv.
- **PROPERTY (3)**: Allied London, Land. Shop Prop., Espley-Tyas
- **SHIPPING (1)**: Gotaas-Larsen
- **TRUSTS (4)**: Jove Inc., Suez Finance, Corinthian, Westpool
- **OIL & GAS (4)**: CCP North Sea, Imp. Cont. Gas, Falmouth Pet., Shell Transport
- **MINES (4)**: Haoma Gold, Geevor, Pancontinental, Tronoh

LEADERS AND LAGGARDS

Percentage changes since December 31 1980 based on Tuesday June 9 1981.

Contracting, Construction	+37.92	Office Equipment	+13.04
Packaging and Paper	+31.65	Insurance (Composite)	+12.67
Tobaccos	+30.64	Electricals	+12.19
Other Industrial Materials	+28.88	Merchant Banks	+11.94
Textiles	+27.43	Motors	+11.25
Hire Purchase	+26.53	Food Retailing	+10.98
Insurance Brokers	+25.85	Financial Group	+ 9.22
Other Consumer	+25.43	Investment Trusts	+ 8.98
Mechanical Engineering	+24.25	Mining Finance	+ 8.28
Health and H'sehold Products	+23.99	All-Share Index	+ 8.18
Engineering Contractors	+22.10	Overseas Traders	+ 8.04
Building Materials	+21.95	Stores	+ 7.89
Leisure	+21.75	500 Share Index	+ 7.85
Food Manufacturing	+21.64	Property	+ 4.87
Brewers and Distillers	+20.57	Shipping and Transport	+ 4.67
Newspapers, Publishing	+19.61	Banks	+ 4.06
Capital Goods	+19.51	Other Groups	+ 2.92
Consumer Group	+18.10	Gold Mines Index	− 4.56
Metals and Metal Forming	+17.61	Discount Houses	− 5.42
Industrial Group	+16.42	Chemicals	− 5.64
Insurance (Life)	+15.31	Oils	−20.32

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	95	—	1
Corpns., Dom. and Foreign Bonds ...	19	2	46
Industrials	121	348	898
Financial and Props.	42	157	295
Oils	19	33	36
Plantations	4	4	15
Mines	16	86	64
Others	25	101	57
Totals	341	731	1,410

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Avon Rubber	112	—	GRE New	48pm	−12
Beralt Tin	100	+25	Pegler-Hattersley	176	+ 8
BP	356	+ 2	Royal Ins.	378	−12
Central Pacific	92	−13	Rugby Port. Cement ...	78	+ 1½
Elliott (B.)	165	+ 2	Tunnel B	430	−12
Geevor	115	−15	Westland	144	−10

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Tue.'s closing price pence	Day's change	Stock	No. of price changes	Tue.'s closing price pence	Day's change
Bula Res. New	19	39	—	LASMO	11	520	− 5
BP	15	354	−10	Metal Box	11	186	−10
ICI	14	276	− 6	De Beers Dfd.	10	387	+ 5
Premier Cons.	12	62	− 2	Eagle Star	10	283†	—
Distillers	11	223	+ 4	Plessey	10	317	+ 2
GEC	11	682	− 5	Royal Ins.	10	390	—
GRE New	11	60pm	+ 4	Shell Trans. ...	10	348	− 6

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
June 8	June 19	Sept. 10	Sept. 21
June 22	July 3	Sept. 24	Oct. 5
July 6	July 17	Oct. 8	Oct. 19

For rate indications see end of Share Information Service

Money was given for the call of Hestair, Westminster Property, Bath and Portland, J. T. Parrish, Stocklake, Hong Kong Telephone, Ultramar, James Neill, ICL, Charterhall, Premier Consolidated, First National Finance, BPB, Loraine, Scapa Group, First National Finance Convertible Loan, Chubb, Boustead and Jessel Trust. Mersey Docks and BP were dealt in for the call while double options were arranged in Royal Bank of Scotland and BP.

RECENT ISSUES

EQUITIES

Issue Price p‡	Amount Paid Up	Latest Renunc. Date	1981 High	1981 Low	Stock	Closing Price p	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P.E. Ratio
—	F.P.	—	£27	£21½	Allegheny Int. Inc......	£26½	−¼	QS1.40	—	2.6	—
35	F.P.	—	37	34	AlliedResidential 10p	34	−2	b2.45	2.0	10.3	7.1
‖ ‖	F.P.	—	£21¼	£16¼	Amdahl	£19⅛	−¾	Q 40c	—	1.0	—
Ir£0.50	F.P.	—	40	39	✠Bula Resources	39	......	—	—	—	—
85	F.P.	24/6	140	105	✠Business Comp Syst.	125	−5	u1.0	6.7	1.1	78.4
§90	F.P.	15/5	135	89	✠Consultants 10p......	125	−5	—	—	—	—
475	F.P.	10/7	500	462	Energy Res. & Service	462	−15	—	—	—	—
10	F.P.	27/5	14	13	F'st Charlotte Ast Tst	13	......	—	—	—	—
100	F.P.	22/5	111	102	G.T.GlobalRec.Inv Tst	103	......	—	—	—	—
‖ ‖	F.P.	—	62	53	✠Harvey &Thompson	56	......	g2.24	1.1	5.8	21.6
¶91	F.P.	5/6	96	85	✠Intasun.................	85	......	g2.8	4.3	4.8	6.1
$12	F.P.	—	630	615	Mexico Fund	630	......	—	—	—	—
100	F.P.	—	107	98	Murray Technology...	105	−2	—	—	—	—
‖ ‖	F.P.	—	8½	3½	✠Reliant Motors	6½	−1½	—	—	—	—
‡44	F.P.	30/6	58	44	✠Selec TV................	44	−6	—	—	—	—
25	F.P.	29/5	25	20	Stone Platt Cnv Cm Pf	22	......	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount Paid Up	Latest Renunc. Date	1981 High	1981 Low	Stock	Closing Price £	+ or −
100‖	Nil	—	1¼pm	¼pm	BOC 9% Cnv. Uns. Ln. 2001-6..................	½pm	−¾
¶¶	F.P.	26/6	23p	16p	BPC 7.75% Non. Cum. Prf......................	23p	......
¶	F.P.	18/6	101½	99	Cambridge Water 8% Prf. 1986............	99	......
100‖	F.P.	8/6	101½	94	Crouch Gp. 9% Con. Uns. Ln. '95-96.....	99	......
99.87	£30	16/7	29¾	26½	Finland 14½% Ln. 1986	26¾	+ ¼
99.485	£30	25/6	29½	25¾	International Bk. 13½% Ln. 1986..........	26	+ ¼
100‖	F.P.	3/6	110¼	102½	Laing Props 8¾% Cnv. Uns. Ln. 2000-05	102½	......
99	F.P.	27/8	99	95	Newcastle Water 7¾% Red. Pref. 1986.	95	−½
£1‖	F.P.	12/6	107p	100p	Norton (WE) 11% Cnv. Cum. Rd. Prf......	100p	......
* *	F.P.	—	91p	90p	Paterson Zochonis 10% Cum. Pref........	91p	......
96¾	£20	7/7	20	13½	Petroleos Mex. 14½% Ln. Due. 2008.......	14½	+1
£1‖	F.P.	8/6	120	112	Phicom 8% Cum. Con. Red. Pref..........	114	+2
* *	F.P.	—	92	90	Photax 11% Cum. Pref.........................	90	−2
£1‖	Nil	12/6	5ppm	1ppm	Rexmore 13% Cnv. Cum. Red.Prf. 1991-92	1ppm	......
¶98	£10	—	8½	8	Sund. & S. Shields Water 8% Red. Prf. '87	8	−½
96¾	F.P.	—	98½	90¾	Swansea (City of) 13½% Red. 2006.........	92½	+ ½
25p‖	F.P.	17/6	36p	25p	Weir Group 10%Red Cum Part. Conv. Prf.	36p	......

"RIGHTS" OFFERS

Issue Price p‡	Am'unt paid up	Latest Renunc. Date ●	Latest Renunc. Date ■	1981 High	1981 Low	Stock	Closing prices p	+ or −
Ir120	Nil	—	—	16pm	13pm	Allied Irish..............................	14pm	......
64	F.P.	1/6	10/7	87	81	Amal. Power Eng......................	87	......
190	F.P.	1/6	13/7	222	209	Barratt Devs...........................	211	−1
380	F.P.	4/6	3/7	464	438	Bestobell.................................	464	+2
66	F.P.	26/5	19/6	86	79	Brit. Car Auction......................	81	......
25	F.P.	22/5	3/7	34	31	Brit. Dredging..........................	31	−1
77	F.P.	5/6	3/7	84	80	Cadbury Schweppes..................	82½	......
500	Nil	19/6	15/7	500pm	350pm	Comm. Bk. of Near East............	500pm	......
150	Nil	17/6	15/7	6pm	2pm	Elbar.......................................	6pm	......
55	Nil	12/6	11/8	12½pm	8½pm	Fine Art...................................	11½pm	......
98	F.P.	22/5	26/6	102	90	Floyd Oil..................................	90	......
95	F.P.	18/5	12/6	155	132	Fothergill & Harvey..................	150	......
250	Nil	17/6	24/7	60pm	19pm	G.R.E.	48pm	−12
103	P.P.	—	—	102	66	Hong Kong & Shanghai Bank	102	+2
205	F.P.	8/6	24/7	266	247	Horizon Travel..........................	255	+1
‖	F.P.	15/5	24/6	102	93	Lond'n Shop Pr'p 9% Cnv94-99	93	......
315	Nil	—	—	28pm	26pm	Lyle Shipping...........................	26pm	−2
138	F.P.	22/5	19/6	178	158	Mowlem (J.)..............................	166	−2
70	Nil	17/6	24/7	8½pm	4pm	Northern Engineering...............	4pm	−1
160	F.P.	15/5	12/6	176	158	Rowntree Mackintosh...............	168	......
60	Nil	—	—	7½pm	3pm	Second City Props....................	3pm	−2
131	F.P.	8/6	3/7	156	141	Smurfit (Jefferson)..................	152	......
6	P.P.	6/5	21/9	11½	6½	Sterling Credit..........................	8	−¾
30	F.P.	5/6	26/6	39	36	Western Selection.....................	36	−1

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *g* Assumed dividend and yield. *u* Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimate for 1981. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ✱ With warrants. †† Dealings under special Rule. ✠ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed., June 10, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues. June 9 Index No.	Mon. June 8 Index No.	Fri. June 5 Index No.	Thurs. June 4 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (214)............	342.58	−0.3	10.98	4.56	11.23	343.49	344.09	345.30	348.78	236.22
2	Building Materials (25)	298.01	−0.7	14.83	5.89	8.05	300.20	300.17	301.33	301.81	235.16
3	Contracting, Construction (28)	552.62	−0.9	16.81	5.10	6.97	557.80	560.75	570.23	572.31	343.55
4	Electricals (28)	1075.64	+0.1	8.05	2.41	15.44	1074.08	1077.78	1072.40	1094.33	628.24
5	Engineering Contractors (11)....	481.83	−0.7	12.45	5.60	9.66	485.33	485.47	489.99	489.06	289.05
6	Mechanical Engineering (70)	211.92	−0.6	13.41	5.76	9.30	213.14	213.01	212.89	214.84	158.10
8	Metals and Metal Forming (13)	161.13	−0.2	9.78	7.40	13.32	161.52	162.52	163.36	164.28	153.26
9	Motors (21)...........................	101.65	−0.9	4.82	7.10	52.76	102.56	102.79	103.31	105.35	97.62
10	Other Industrial Materials (18)	371.12	+0.2	10.24	5.37	11.69	370.40	369.75	379.38	377.42	0.00
21	CONSUMER GROUP (195)..........	280.06	−0.4	12.79	5.71	9.53	281.24	280.91	281.34	285.03	207.99
22	Brewers and Distillers (20)......	316.47	−0.3	14.54	6.08	8.18	317.34	315.91	314.59	315.92	281.07
25	Food Manufacturing (21)..........	255.50	−0.5	15.27	6.46	7.88	256.77	255.19	257.29	259.41	194.71
26	Food Retailing (14)	515.42	−0.2	9.67	3.42	12.28	516.41	516.84	522.40	526.41	320.12
27	Health and Household Products (7)	326.20	−0.4	8.49	4.49	14.03	327.43	325.29	322.77	326.22	207.65
29	Leisure (22)	422.91	−0.5	11.94	5.21	10.16	424.92	426.96	427.95	437.16	315.35
32	Newspapers, Publishing (12)	503.24	−1.0	11.80	5.64	11.95	508.28	509.77	514.00	516.33	413.72
33	Packaging and Paper (13)	149.26	−1.0	13.44	7.15	8.84	150.82	151.76	151.14	151.56	129.33
34	Stores (44)............................	265.85	−0.2	10.83	4.98	12.12	266.47	266.70	266.66	273.44	212.90
35	Textiles (23)	158.73	−0.1	8.56	5.71	15.62	158.88	158.66	160.04	162.46	120.49
36	Tobaccos (3)	257.79	−1.1	22.43	9.63	5.12	260.77	261.85	263.53	265.12	212.70
39	Other Consumer (16)	295.32	−1.1	10.22	6.43	13.43	298.70	298.18	308.27	302.74	0.00
41	OTHER GROUPS (79)................	226.61	−0.2	13.59	6.67	8.95	227.03	229.05	229.47	233.36	207.71
42	Chemicals (15).......................	280.59	+0.1	11.60	7.40	10.77	280.37	284.49	282.08	289.89	302.77
44	Office Equipment (6)	113.78	−0.8	16.22	7.36	7.28	114.76	115.27	116.08	118.19	108.67
45	Shipping and Transport (13)	559.10	−0.6	16.22	6.46	7.38	562.61	566.33	568.32	568.16	523.46
46	Miscellaneous (45)..................	294.51	−0.1	14.21	5.76	8.48	294.95	296.25	299.64	302.96	248.58
49	INDUSTRIAL GROUP (488)........	294.08	−0.3	12.21	5.40	10.01	295.05	295.41	296.09	299.77	227.47
51	Oils (12)...............................	742.68	+0.4	24.00	7.58	4.62	739.84	756.83	749.90	771.78	816.12
59	500 SHARE INDEX.....................	330.20	−0.2	14.21	5.77	8.36	330.89	332.50	332.62	337.70	273.77
61	FINANCIAL GROUP (118)	253.96	−0.9	—	5.75	—	256.40	253.70	253.29	256.66	204.57
62	Banks(6)...............................	254.81	−0.8	35.86	7.12	3.25	256.89	248.68	250.12	252.59	224.41
63	Discount Houses (10)...............	274.14	−0.1	—	8.22	—	274.49	274.99	279.46	281.98	251.71
64	Hire Purchase (3)	249.91	+0.1	13.11	7.27	10.68	249.65	254.10	257.49	261.55	207.21
65	Insurance (Life) (10)	257.69	−0.9	—	5.87	—	260.00	258.39	258.02	264.03	195.55
66	Insurance (Composite) (9)	165.44	−2.5	—	7.70	—	169.76	169.31	165.78	167.37	130.42
67	Insurance Brokers (8)	397.31	−1.2	11.07	5.84	12.43	402.16	399.35	400.67	409.64	301.48
68	Merchant Banks (13)................	165.50	−0.2	—	4.83	—	165.90	165.43	166.26	167.45	108.28
69	Property (49).........................	465.89	−0.2	3.80	2.96	36.24	466.71	465.30	466.58	474.62	385.30
70	Miscellaneous (10)...................	176.49	+0.1	18.03	5.87	6.74	176.36	174.26	175.49	175.32	129.25
71	Investment Trusts (109)	306.33	−0.3	—	5.13	—	307.18	306.32	306.64	306.19	225.57
81	Mining Finance (3)..................	247.27	+0.2	13.86	5.43	8.45	246.77	251.31	252.97	255.61	193.56
91	Overseas Traders (20)	459.50	−0.7	10.92	6.47	11.46	462.84	463.99	460.87	462.47	379.04
99	ALL-SHARE INDEX (750)............	314.77	−0.3	—	5.73	—	315.88	316.48	316.49	320.76	257.23

FIXED INTEREST

	PRICE INDICES	Wed. June 10	Day's change %	Tues. June 9	xd adj. today	xd adj. 1981 to date
	British Government					
1	5 years..............	107.00	+0.47	106.50	—	4.82
2	5-15 years..........	106.22	+0.60	105.59	—	5.23
3	Over 15 years	109.26	+0.64	108.57	—	5.44
4	Irredeemables......	119.40	+0.46	118.86	—	6.46
5	All stocks...........	107.15	+0.57	106.54	—	5.15
6	Debentures & Loans	83.64	+0.45	83.27	—	4.89
7	Preference..........	63.47	+0.17	63.37	—	3.29

	AVERAGE GROSS REDEMPTION YIELDS		Wed. June 10	Tues. June 9	Year ago (approx.)
	British Government				
1	Low	5 years............	12.21	12.36	12.11
2	Coupons	15 years............	12.89	12.94	12.08
3		25 years............	12.99	13.05	12.08
4	Medium	5 years............	14.35	14.52	13.85
5	Coupons	15 years............	14.67	14.77	13.79
6		25 years............	14.27	14.37	13.65
7	High	5 years............	14.35	14.52	14.02
8	Coupons	15 years............	14.88	14.97	14.09
9		25 years............	14.47	14.56	13.98
10	Irredeemables....................†		12.34	12.40	11.41
11	Debs & Loans	5 years............	15.32	15.40	14.56
12		15 years............	15.32	15.40	14.49
13		25 years............	15.32	15.40	14.41
14	Preference.......................†		15.63	15.66	15.76

† Flat yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 26½p.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

[illegible]

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Abbey Unit Tst. Mngrs. (a)

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Ltd. (a) (g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Anthony Wieler Unit Tst. Mgmt. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd.

Barclays Unicorn Ltd. (a)(c)(g)

Baring Brothers & Co. Ltd.

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers (a)(c)

Britannia Gp. of Unit Trusts Ltd.(a)(c)(g)

The British Life Office Ltd.

Brown Shipley & Co. Ltd.

Buckmaster Management Co. Ltd.

Canada Life Unit Trust. Mngrs. Ltd.

Capel (James) Mngt. Ltd.

Carr, Sebag Unit Trust Managers Ltd.

Charities Official Invest. Fund

Chieftain Trust Managers Ltd.

Chesterton Fund Managers (a)

Confederation Funds Mgt. Ltd. (a)

Craigmount Unit Tst. Mgrs. Ltd.

Crescent Unit Tst. Mgrs. Ltd. (a)(g)

Darlington Unit Trust Mngt. Ltd.

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Equity & Law Un. Tr. M.

Fidelity International Management Ltd.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd. (a)

Robert Fraser Trust Mgt. Ltd.

Friends' Provdt. Trust Mgrs. (a) (b) (c)

Funds in Court

G.T. Unit Managers Ltd.

G. & A. Trust (a) (g)

Gartmore Fund Managers (a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a) (b) (c)

Hill Samuel Unit Tst. Mgrs.

Investment Intelligence Ltd. (a)

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers

L. & C. Unit Trust Management Ltd.

Legal & General (Unit Tst. Mngrs.) Ltd.

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.

M & G Group (y)(c)(z)

Manulife Management Ltd.

Mayflower Management Co. Ltd.

McAnally Fund Management Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd. (a)

Minster Fund Managers Ltd.

MLA Unit Trust Mngmt. Ltd.

Murray Johnstone U.T. Mgmt. (a)

Mutual Unit Trust Managers (a)(g)

National Provident Inv. Mngrs. Ltd.

National Westminster (a)

NEL Trust Managers Ltd. (a)(g)

Norcross Unit Trust Managers Ltd. (c)(y)

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt. (a)

Practical Invest. Co. Ltd. (y)(c)

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd. (a)(b)(c)

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management (a) (g) (c)

Rowan Unit Trust Mngt. Ltd. (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

Save & Prosper Group

Schroder Unit Trust Managers Ltd.

Scottish Amicable Inv. Mngrs. Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.

Scottish Widows' Fund (Simco Money Funds)

Stewart Unit Tst. Managers Ltd. (a)

Sun Alliance Fund Mangmt. Ltd.

Swiss Life Pen. Tst. Man. Co. Ltd. (a)(c)

Target Tst. Mngrs. Ltd. (a)(g)

Tower Unit Trust Mgmt. Ltd.

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs. Co. (y)

Tyndall Managers Ltd. (a)(b)(c)

TSB Unit Trusts (y)

Ulster Bank (a)

Unit Trust Account & Mgmt. Ltd.

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Black Horse Life Ass. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

Chieftain Assurance Funds

City of Westminster Assurance

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life

Crusader Insurance Co. Ltd.

Eagle Star Insur/Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

Assicurazioni Generali S.p.A.

General Portfolio Life Ins. C. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Henderson Administration

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.

M & G Group

Manufacturers Life Insurance Co.

Merchant Investors Assurance

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (UK) Ltd.

Norwich Union Insurance Group

Phoenix Assurance Co. Ltd.

Pioneer Mutual Insurance Co. Ltd.

Planned Savings Group

Premium Life Assurance Co. Ltd.

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capitol Life Assc. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Amicable Investment

Scottish Widows' Group

Skandia Life Assurance Co. Ltd.

Standard Life Assurance Company

Sun Alliance Insurance Group

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Alliance International Dollar Reserves

Arbuthnot Securities (C.I.) Limited

B.I.A. Bond Investments AG

Bank of America International S.A.

Banque Bruxelles Lambert

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bridge Management Ltd.

Britannia Intl. Investment Mngmt. Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

CAL Investments (IoM) Ltd.

Capdirex S.A.

Capital Asset Managers Ltd.

Capital International Fund S.A.

Central Assets Management Ltd.

Charterhouse Japhet

Chawton Commodities (Isle of Man) Ltd.

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

Cortexa International

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1981 High	1981 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
99 21/32	99 1/32	Exch. 9½pc 1981	99 13/32	......	9.54	12.25
98¼	93¾	Exch. 3pc 1981	98¼	+1/32	3.05	12.24
99 1/2	99¼	Treas. Variable '81§§	99¾	+1/16	12.97	13.52
100 1/32	99 11/16	Exch. 12¾pc 1981‡‡	100	+¼	12.75	12.55
97 1/16	95 1/16	Treas. 8½pc '80-82‡‡	97 11/16xd	+1/16	8.69	12.47
95	91⅞	Treasury 3pc '82‡‡	93⅞	+⅛	3.19	12.57
102 1/16	100½	Treasury 14pc '82‡‡	100 13/16	−1/16	13.88	12.70
99⅛	98 3/16	Treas. Variable '82§§	99 5/32xd	+1/16	13.02	12.62
95 11/16	93 13/16	Treasury 8¼pc '82	95 5/8xd	+½	8.62	12.81
96 5/16	93 11/16	Exch. 9¼pc 1982	95	+½	9.73	13.52
95	92⅝	Exch. 8¾pc 1983	94¼xd	+½	9.28	12.92
89¼	84⅞	Exch. 3pc 1983	88¼	+⅛	3.40	10.73
99⅛	96⅜	Treasury 12pc 1983‡‡	97¼	+3/16	12.33	13.74
98 13/16	96¾	Treas. Variable '83§§	98¼	+3/16	13.10	13.67
94⅛	91¼	Treasury 9¼pc '83	92⅝	+13/16	9.98	13.37
101 13/16	98¼	Exch. 13½pc '83	99⅛	+½	13.61	13.88
94⅛	91¼	Exch. 10pc 1983	92½xd	+¼	10.82	13.69
87¼	84½	Funding 5½pc '82-84‡‡	86xd	+⅛	6.39	11.94
96¼	93	Exch. 11¼pc 1984	93⅞	+½	11.98	14.01
103 5/16	98⅞	Exchequer 14pc 1984	99¼	+½	14.03	14.09
80⅝	78½	Exch. 3pc 1984	79⅝xd	+⅛	3.76	11.13
98⅛	94	Treasury 12pc 1984	94⅞	+½	12.64	13.93
107¾	101⅞	Treasury 15pc 1985	102¼	+½	14.59	13.98
98⅞	93⅛	Exch. 12pc Cnv. '85	94	+½	12.76	14.03
75¼	73¼	Treasury 3pc 1985	74⅝	+¼	4.02	11.12
30 1/16	25	Treas 11½pc '85(£30pd)	25½	+⅛	12.50	14.14
98⅞	93	Exch. 12¼pc 1985	93⅞	+½	13.04	14.13
97⅛	91	Exch. 11¾pc '86	91¾	+⅜	12.80	14.18
70 5/16	68¼	Treasury 3pc 1986●	69	+⅛	4.34	11.37

Five to Fifteen Years

1981 High	1981 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
97 1/16	91¼	Treasury 12pc '86	92xd	+¼	13.03	14.28
88⅛	82¼	Treasury 8¼pc '84-86‡‡	83¾xd	+⅜	10.11	12.89
103⅞	98⅜	Exch. 13¼pc 1987	101¼	+⅜	13.78	14.11
81¼	75½	Funding 6½pc '85-87‡‡	76⅝	+⅜	8.56	12.38
99½	90½	Treas. 12pc 1987	91⅝	+½	13.28	14.33
81⅛	76¼	Treasury 7¾pc '85-88‡‡	79½	+⅜	10.11	13.13
65½	59⅛	Transport 3pc '78-88	60½xd	+⅜	4.94	11.22
92¼	86¼	Treasury 11½pc 1989	88½	+¼	13.51	14.79
93	87	Do. A	89¼	−¼	13.53	14.80
67¼	62⅛	Treasury 5pc '86-89	63½	−⅛	7.97	12.25
101½	89⅛	Treasury 13pc 1990‡‡	91xd	+½	14.09	14.63
95 7/16	88	Exch. 12½pc 1990	89¾	+⅝	14.18	14.97
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

هكذا من الأصل

INDUSTRIALS—Continued

INSURANCE—Continued

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—Continued

Australian

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
40	32	Acmex 50c	40	......	Q2.5c	—	3.5
34	14	ACM 20c	28	−5	—	—	—
22	14	Argosy Gold NL 25c	17	......	—	—	—
226	137	Bond Corp.	216	−10	Q7½c	1.9	1.9
104	76	Bougainville I Kina	100	......	Q25c	1.8	14.4
302	214	CRA 50c	264	−4	Q19c	1.7	3.9
25	17½	Canada Northwest	17½	−½	—	—	—
35	16	Carr Boyd 20c	20	+1	—	—	—
415	80	Central Pacific	92	−13	—	—	—
35	15	Cons. Gold Min. N.L. 50c	15	......	—	—	—
47	28	Cu tus Pacific N.L.	31	−3	—	—	—
63	22	Eagle Corp. 10c	42	−8	—	—	—
40	29	Endeavour 20c	30½	−2½	—	—	—
500	310	G. M. Kalgoorlie 25c	390	−5	†Q15c	ф	1.8
25	10	Great Eastern	10½	−1	—	—	—
275	180	Hampton Areas 10p	205	−5	t2.5	2.4	1.7
168	48	Haoma Gold N.L.	48	−2	—	—	—
85	35	Intl. Mining	35	......	—	—	—
245	140	Kitchener NL 25c	140	−5	—	—	—
105	40	Leichardt Expln.	45	−3	—	—	—
430	275	Meekatharra	380	−10	—	—	—
70	49	Metals Ex. 50c	61	......	§Q3c	2.9	2.7
38	20	Metramar Mins. 20cts.	31	−1	—	—	—
290	190	M.I.M. Hldgs. 50c	270	−6	‡tQ27.6c	1.7	‡
21	10	Minefields Expl. 25c	14	......	—	—	—
123	83	Mount Lyell 25c	110	−7	ф†Q15c	1.7	7.5
20	13	Newmetal 20c	15	+1	—	—	—
69	41	Nickelore N.L.	60	−4	—	—	—
204	149	North B. Hill 50c	187	−2	Q18c	3.1	5.3
84	50	Nth. Kalgurli	67	......	—	—	—
175	94	Nth. Mining Corp.	160	−3	—	—	—
122	38	N. West Mining N.L.	38	−2	—	—	—
148	106	Oakbridge 50c	145	−3	tQ12c	1.1	4.5
185	138	Oilmin N. L.	142	−8	—	—	—
186	164	Pacific Copper	180	−4	—	—	—
605	385	Pancont'l 25c	385	−15	—	—	—
72	42	Paringa M&Ex.5p	70	+1	ф	—	—
525	375	Peko-Wallsend 50c	500	−5	‡Q22½c	ф	2.5
43	27	Pelsart Res NL	33	......	—	—	—
120	85	Seltrust A	105	−5	—	—	—
157	34	Southern Pacific	39	−5	—	—	—
85	40	Swan Resources 20c	63	−7	—	—	—
400	9½	West Coast 25c	10½	......	—	—	—
325	227	Westn. Mining 50c	305	−10	Q14c	1.6	2.5
27	16½	Westmex	17½	−1	—	—	—
76	46	Whim Creek 20c	52	−2	—	—	—
101	58	York Resources	67	−1	—	—	—

Tins

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
16	9	Amal Nigeria 1p	9½	......	‡†6.0	—	—
300	250	Ayer Hitam $M1	250	......	‡Q205c	1.0	‡
103	54	Beralt Tin	100	+25	+5.0	3.3	7.1
155	115	Geevor	115	−15	—	—	—
10	8	Gold & Base 12½p	9½	......	—	—	—
660	540	Gopeng Cons.	540	......	‡30.0	1.8	‡
450	360	Hongkong	360	......	21.0	ф	8.3
125	115	Idris 10p	123xd	+3	9.0	ф	10.5
15½	13	Jantar 12½p	15½	......	1.5	ф	13.8
98	85	Kamunting $M0.50	85	......	‡Q80c	1.0	‡
600	363	Killinghall $M1	600	......	hQ66.7c	ф	2.3
114	88	Malay Dredging 10c	114ф	......	ф‡hQ38c	0.9	6.8
68	30	Pahang	63	......	0.63	0.8	1.4
118	90	Pengkalen 10p	110	+2	3.5	0.6	4.5
380	330	Petaling $M1	330	......	‡Q180c	1.4	‡
25	19	South Crofty 10p	24#	......	‡1.0	4.4	‡
225	200	Sungei Besi $M1	215	+5	‡Q460c	1.1	‡
180	95	Supreme Corp. $M1	170	......	‡Q15½c	ф	1.9
118	116½	Tanjong 15p	118	......	Z3.5	ф	4.3
90	75	Tongkah H. Tin $M	75	......	Q23%	0.4	6.1
410	340	Tronoh $M1	340xd	−10	Q110c	1.2	6.6

Copper

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
335	165	Messina R0.50	320	......	†Q45c	4.7	8.3

Miscellaneous

1981 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
175	142	Anglo-Dominion	170	−5	—	—	—
55	40	Barymin	43	−4	—	—	—
25½	14	Burma Mines 10p	23	......	0.75	0.9	4.7
330	180	Colby Res. Corp.	280	......	—	—	—
275	200	Cons. Murch. 10c.	275	......	tQ30c	1.8	6.2
98	70	††Hemerdon 10c.	70	......	—	—	—
180	135	Highwood Res.	145	−5	—	—	—
400	300	Northgate C$1	355	......	—	—	—
580	372	R.T.Z.	505	......	16.0	3.2	4.5
£125	£93½	Do. 9½%Cu.Ln.La.'95-2000	£113	−1	Q9½%	—	f8.9
143	110	††SPO Minerals 10p	110#	......	—	—	—
47	32	Sabina Inds. C$1	33	−1	—	—	—
44	28	††SWCM 10p	33	−1	—	—	—
550	465	Tara Exptn. $1	530	−5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ф Figures or report awaited.
- ф USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ *Merger bid or reorganisation in progress.*
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ** Regional price.
- ǁ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ‡‡ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −	IRISH	Price	+ or −
Albany Inv. 20p	42	......	Conv. 9% '80/82	£92¾	......
Bertam	13	......	Nat. 9¼% 84/89	£74	......
Bdg'wtr. Est. 50p	465	......	Fin. 13% 97/02	£79¼	+¼
Craig & Rose £1	£11½	......	Alliance Gas	77	......
Fife Forge	66	......	Arnott	295	......
Finlay Pkg. 5p	21	......	Carroll (P.J.)	89	−1
Graig Ship. £1	£22½	......	Concrete Prods.	90	......
Higsons Brew	75	......	Heiton (Hldgs.)	28	......
Holt (Jos) 25p	480xd	......	Ins. Corp.	420	......
I.O.M. Stm. £1	158	......	Irish Ropes	50	......
Pearce (C. H.)	940	−10	Jacob	56	......
Peel Hldgs.	100	......	T.M.G.	17	......
Sheff. Refrshmt	99	......	Unidare	103	+3
Sindall (Wm.)	195	......			

OPTIONS

3-month Call Rates

Industrials					
		House of Fraser	14	Utd. Drapery	6½
A. Brew	6½	I.C.I.	20	Vickers	18
BOC Intl.	12	"Imps"	7	Woolworths	6
B.S.R.	7	I.C.L.	6		
Babcock	11	Ladbroke	30	**Property**	
Barclays Bank	36	Legal & Gen.	20	Brit. Land	8
Beecham	18	Lex Service	10	Cap. Counties	11
Blue Circle	35	Lloyds Bank	28	Land Secs.	37
Boots	20	"Lots"	4½	MEPC	20
Bowaters	24	London Brick	7	Peachey	15
Brit. Aerospace	17	Lucas Inds.	18	Samuel Props.	13
B.A.T.	25	"Mams"	20	Town & City	2¼
Brown (J.)	9	Mrks. & Spncr	11		
Burton Ord.	14	Midland Bank	26	**Oils**	
Cadburys	7½	N.E.I.	8	Brit. Petroleum	33
Courtaulds	7	Nat. West. Bank	32	Burmah Oil	16
Debenhams	10	P & O Dfd.	12	Charterhall	8
Distillers	17	Plessey	23	KCA	22
Dunlop	8½	Racal Elect.	34	Premier	7½
Eagle Star	25	R.H.M.	5	Shell	32
F.N.F.C.	3	Rank Org. Ord.	18	Tricentrol	30
Gen. Accident	30	Reed Intnl.	25	Ultramar	44
Gen. Electric	60	Sears	5		
Glaxo	28	Tesco	5½	**Mines**	
Grand Met	18	Thorn EMI	38		
G.U.S. 'A'	44	Trust Houses	15	Charter Cons.	21
Guardian	30	Tube Invest.	18	Cons. Gold	45
G.K.N.	15	Turner & Newall.	19	Lonrho	9
Hawker Sidd	25	Unilever	50	Rio T. Zinc	45

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 40

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES
Thursday June 11 1981

Norway North Sea plans upset UK hopes

BY WILLIAM DULLFORCE IN OSLO AND RAY DAFTER IN LONDON

THE NORWEGIAN Parliament yesterday approved North Sea oil and gas projects with a combined investment value of NKr 31bn (£2.7bn) in 1980 prices.

They include an 843 km submarine pipeline system to carry natural gas from the Statfjord and Heimdal fields to the continent, development of the Golden Block and Heimdal gas and oil fields, and conditional approval for expansion of the Mongstad oil refinery.

The decision upset the British Gas Corporation's hopes of buying gas supplies from the majority Norwegian portion of the big Statfjord field.

The pipeline system, scheduled to be completed for nearly NKr 13bn by 1986, will initially feed about 7bn cu metres of gas a year into the existing pipeline between the Ekofisk field and Emden in West Germany.

A new company, Statpipe, of which Statoil (the state oil company) will own 60 per cent, is being formed to build and run the new gas-gathering system. Other shareholders are Elf (10 per cent), Norsk Hydro (8 per cent), Mobil (7 per cent), Esso and Shell (5 per cent each), Total (3 per cent) and Saga (2 per cent).

Statpipe will call for offers to lay the line in the next few days. It wants to sign contracts for two pipe-laying barges by the autumn so that work can start a year later.

The British Gas Corporation had hoped to buy gas from the Statfjord Field. But 84 per cent of the field's gas will be fed into the Norwegian pipeline system.

The other 16 per cent, which lie on the UK side of the North Sea median line, will be collected by Britain's proposed £2.7bn gas-gatherin gsystem.

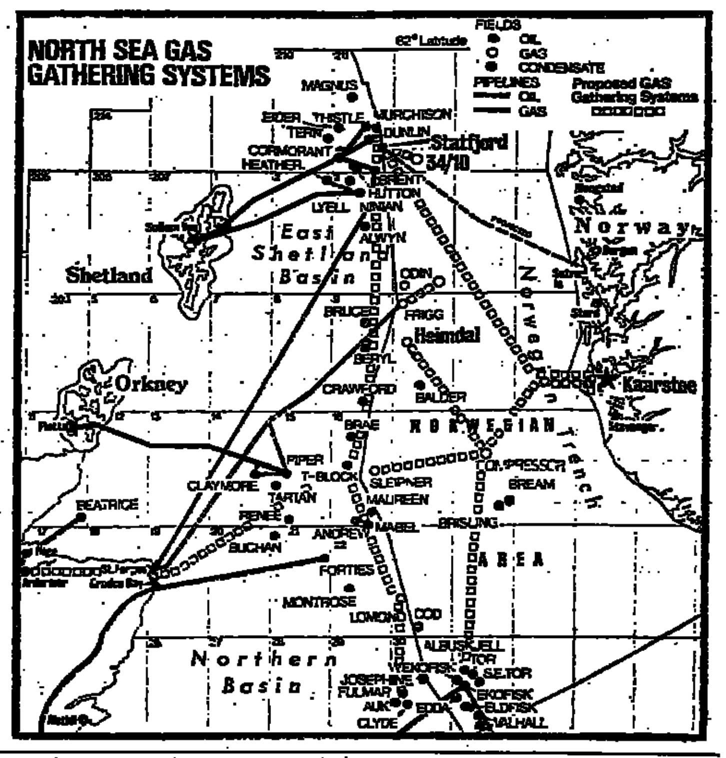
Although Norwegian petroleum experts believed the decision undermined the economics of at least the northern portion of the British pipeline, this was denied in London by the Energy Department and British Gas Corporation.

British Gas, which learned of the Norwegian plan "more in sorrow than in anger," commented: "The British gas-gathering system is viable without Norwegian Statfjord gas and it has been designed with that in mind."

The Energy Department said the decision would not affect the UK Government's proposals. "Plans for the development of our own pipeline are continuing"

In a last-minute spurt before the summer recess and the general election in September, the Norwegian parliament also approved the start of development work on the Golden Block 34/10, which contains recoverable reserves of around 235m tonnes of oil and gas, including 14bn cu metres of gas, according to Statoil.

Statoil, which has an 85 per cent stake in the Golden Block field, puts the cost of developing its structure at NKr 18.5bn. It has been authorised to conclude engineering and project servicing contracts for the first integrated production platform, which together with oil loading facilities will cost around NKr 12bn.



THE LEX COLUMN

Petrol fumes keep equities drowsy

After the false dawns of the last six months it is hard to say with confidence that dollar interest rates have peaked, but their further easing yesterday brought palpable relief to the sterling financial markets. The pound rose by three cents to $1.9715, interbank money rates fell by around half a point and gilt-edged looked almost solid; the Government Broker may now have got rid of the bulk of the three £250m tranches of stock he brought out the other week.

But the equity market eased for the second day running: the talk of some sort of fund raising for BP refuses to die down, and rights issue rumours have been uncomfortably accurate recently. In contrast to its U.S. subsidiary Sohio, which has cash coming out of its ears, BP must be in line for a sizeable outflow of cash this year in its European operations, even with some shrinkage in working capital, and it has a lot of short-term debt comin~ up for refinancing.

An international financing package, perhaps tied in with BP Australia's need for capital, might make sense. But BP's shares are trading below the level of the Government's 1979 offer for sale, the company has an ACT problem on its dividend, and a straight issue of equity would be about as welcome as an oil slick off Torquay.

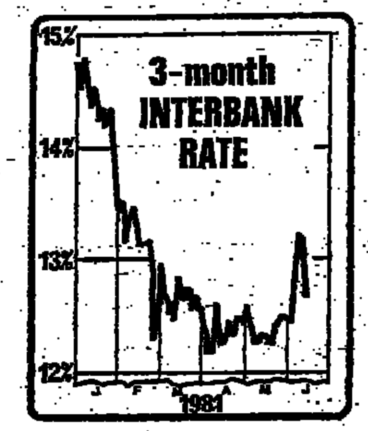
U.S. bonds

The tentative fall in U.S. prime rates has underpinned the recent rally in the American bond market and it is looking as though a fair stream of corporate bonds can be floated, after a long period during which the primary market for corporate debt has functioned only sporadically.

U.S. corporations, anxious to convert part of their mounting short-term debt into fixed-rate loan capital, have formed a queue at the issuing houses which is likely to keep long term rates relatively high even if a weakening in overall credit demand brings short rates down.

But the investment appetite has not yet extended to the long end of the bond market. Shell Oil, which came to borrow this week, found its 10-year notes selling much faster than the 30-year tranche and Barclays Bank has cut the maturity on its own note issue from 25 to 10 years. The extreme volatility of dollar rates and nervousness about next year's budget deficit are making investors very unwilling to commit themselves to very long paper.

Index fell 3.3 to 542.3



Ten year notes are all very well, but U.S. corporations have traditionally loked on very long debt as a staple form of finance, and they and their bankers will not regard the market as functioning properly until it becomes more readily available. The experience of the UK shows all too clearly that bond markets are easier to close than to open.

Hanson Trust

The strength of Hanson Trust's speciality textile business in the U.S. has been enough to push pre-tax profits ahead by 13 per cent in the first half to £18.2m. This is closely in line with the 11.6 per cent increase in profits announced after five months. Nevertheless, a confident statement from the chairman, along with a dividend hike, pushed up the share price 4p yesterday to 270p, where the prospective yield is about 5 per cent.

In the U.S., McDonough Co has produced nearly £4m in the first two months of acquisition, roughly matching its financing costs, although there are signs that profits here are picking up. With an improvement in the fast food business offset by a decline in industrial catering, the remaining £2m improvement in the U.S. industrial services derives entirely from textiles. Elsewhere declining profitability seems to be the rule. The exception in the UK has been Butterley, where brick volume has been maintained and profits are higher. Nevertheless, falling volumes in most of the building-related and engineering business have reduced the UK contribution by more than a third.

In the current half there should be benefits from currency translations (although the effects of the dollar strength may rein back U.S. textiles next year), and in the current year profits are likely to turn out in the region of £45m, against £39.1m. The March balance sheet shows net debt at 54 per cent of shareholders' funds. But this should come down appreciably by the year end, helped by the £35m cash sale of McDonough's cement and concrete interests which more than covers the proposed acquisition of Downing for £12m.

Westland

The next few months will bring decisions of critical importance to the long term future of Westland Aircraft. Yesterday's interim statement confirmed that the group expects to sign very shortly a contract for the first develepoment phase of the EH101 helicopter, the long awaited Sea King replacement. This will be its major development of the decade, and is now scheduled to reach production a year later than originally hoped, in 1987-88. A sign of the tougher attitude of the Ministry of Defence is that Westland is having to contribute £2.75m of its own money to this initial stage of the work—something which it was not expecting a few months ago.

The future of Westland's other important development, the WG 30 Lynx derivative, should also become clearer in the coming months. Production will be running at the rate of one a month from next May, and Westland needs to turn some of its options on the helicopter into firm orders by then.

Over the shorter term, profits may have reached a peak after a rise from £10.6m to £12.4m in the half year to March. The group will be doubling its investment in private venture research to over £10m this year, and the figure will double again in the next few years. The impact on current year profits will be largely offset by lower learning costs on the WG 30, but Westland suggests that profits in the current half may not match last year's figures—which included some special credits. And the results of the next two financial years will be affected by a temporary dip in the helicopter workload during 1982.

However the interim dividend has gone up a quarter, and the final will be at least maintained. So the minimum prospective yield at 144p, down 10p, is 6.1 per cent.

Coffee price emergency meeting called

By Richard Mooney

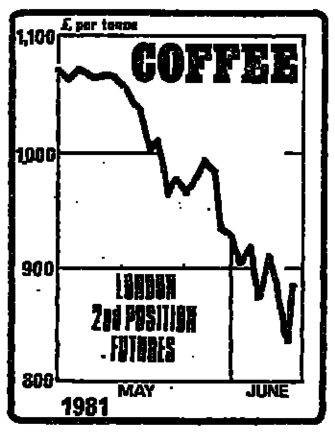
THE International Coffee Organisation, the London-based body which sets sales quotas for coffee producers, is to hold an emergency meeting on Monday to consider ways of steadying the market after recent heavy price falls.

In the past month prices on the London coffee futures market fell by £230, to below £840 a tonne, the lowest level for five years, because of expectations of a large production surplus.

Declining prices triggered cuts totalling 7 per cent in the export quotas set by the organisation last October but its executive board may decide a further reduction in export availability is necessary.

The organisation's announcement encouraged a strong rally on the London market yesterday. Prices finished at about £50 higher. However, most dealers doubted the recovery would last and some feared a renewed decline to levels below £800 a tonne.

The heavy fall in coffee prices will not be reflected in super-



markets, for the time being at least, major British instant-coffee manufacturers said.

According to Nestlé and General Foods, coffee processed to make Nescafé and Maxwell House now the shelves had been purchased in bean form about four months ago, when prices were much higher. The high-grade coffee they used had not fallen as sharply as the African types quoted on the London market.

Nestlé said it would be foolish to encourage consumers to expect lower prices while the Brazilian crop, the biggest in the world by far, is still at risk from frost. A serious frost would quickly send prices back to their former levels or higher, the company said.

Expectations of a bumper Brazilian crop and reports of persistent selling from that country have been largely responsible for the recent price decline.

The latest official forecast put the 1981 crop at 32.1m bags (60 kilos each), a 60 per cent increase over last year and the highest since 1965. The prospect of this being cut by frost appears to have been discounted by professional traders.

Courtaulds to close Northern Ireland plant

BY OUR BELFAST CORRESPONDENT

COURTAULDS IS to close a Northern Ireland textile factory which was at the centre of a row last July over the level of Government aid it has received. A total of 630 jobs will be lost.

The integrated spinning, weaving and finishing plant at Campsie, just outside Londonderry, has made losses each year since it opened five years ago. Accumulated losses now total £16m, Courtaulds said yesterday.

The closure decision has come despite an offer of further substantial aid from the Northern Ireland Department of Commerce.

Mr Adam Butler, the Industry Minister in Northern Ireland, said he was "deeply disappointed," but he reluctantly respected the company's commercial judgment.

Courtaulds said the sheeting and workware markets in which the Campsie factory was involved had been affected by radical changes including "high import penetration from fierce competition abroad."

It was convinced that there was no foreseeable chance of the factory's reaching commercial viability.

The plant went on short-time working last year. Subsequent negotiations with the Government brought an offer of about £10m of further public funds. Even this, Courtaulds said, would not justify keeping the plant open.

Last July, the Commons Public Accounts Committee severely criticised the Department of Commerce for "a wholly unacceptable" lack of interest in the escalating costs of the new plant.

Originally, Courtaulds had been offered an aid package which worked out at a cost to the Government of £9,500 per job. Rising capital costs and a labour force smaller than first envisaged meant that the cost per job soared to £28,000.

In their reply to the committee, Government officials accepted the need for greater control over industrial development projects. The criteria for assistance were subsequently tightened.

The closure is a considerable blow to the Londonderry area, which has an unemployment rate of 25 per cent. A hastily formed action committee at the plant has asked Mr Moss Evans, the Transport and General Workers' Union secretary, to arrange urgent talks with Mr Christopher Hogg, Courtaulds chairman.

Earlier closures by Courtaulds, particularly at Carrickfergus near Belfast, have meant more than 2,000 redundancies in the province's fibres sector in less than three years. Overall last year Courtaulds' labour force was reduced by over 20,000.

The Rev Ian Paisley, leader of the Democratic Unionists, criticised multi-national companies which "reaped a fair benefit" from the grants available in Northern Ireland but were not prepared to help the people of the province in their time of difficulty.

Mr William Ross, Official Unionist MP for Londonderry, said he planned to have talks with the Northern Ireland Industry Minister about the closure.

Courtaulds blames losses on U.S. pressure, Page 6

West Midlands to order 425 Metrobuses

BY JOHN GRIFFITHS

WEST MIDLAND County Council's passenger transport committee yesterday announced its intention to order 175 Metro Cammell Weymann Metrobuses for delivery starting in April. Of 350 buses for delivery in two subsequent years, 250 would be Metrobuses and 100 would be from "an alternative supplier."

The West Midland announcement comes 10 days after Metro Cammell learned that London Transport was awarding its entire 1982 order for 275 double-deckers to Leyland Bus. Within a week of London Tranports's announcement Metro Cammell warned that it might have to shed up to 600 jobs—nearly half the workforce—as a result of a steep drop in double-decker orders throughout the country.

Metro Cammell's warning underlined the fierce struggle for survival now taking place in the bus industry. The UK market usually absorbs 2,000 double-deckers a year, but the winding down of central government bus subsidies and local authorities' severe cash shortages have nearly halved demand.

The West Midland committee's decision overturn the region's passenger transport executive's plan to buy 375 Metrobuses and 150 Leyland Olympians over the next three years.

Leyland Bus expects to be the "alternative suppliers" but the net result appears to be that it is losing 50 buses. The order for 150 Olympians would have been worth £8.8m.

The value of the orders to Metro Cammell Weymann would be about £26m.

Yesterday's committee meeting came a day after Mr Kenneth MacIver, managing director of Leyland Bus, sent a letter to all 16 members of the committee expressing concern at statements in the West Midlands Press implying that the county council would give preference to locally assembled buses in order to support employment in the region. Metro Cammell Weymann is based near Birmingham.

Mr MacIver had warned that such a policy would set a dangerous precedent for industry in the West Midlands

Dollar falls Continued from Page 1

yesterday for gains of nearly £2 this week in some cases.

The Government Broker has taken advantage of this pick-up to sell stock and sizeable amounts are believed to have been sold of the three stocks with 1990s maturities issued last month.

There is clear relief in Whitehall about this trend after the turbulence at the end of last week. But it is recognised that the markets remain fragile

In New York, the uncertainty of banks over the last fortnight about whether a peak in short-term interest rates has been reached has led to some eccentric prime rate changes, resulting at times in the base rate being set at four different levels.

Most U.S. banks are still charging 20 per cent to prime customers, but credit market analysts expect the recent drop in the cost of funds for banks to be reflected soon in a general lowering of prime rates.

Since Monday, some short-term rates have declined by as much as 1.75 percentage points in the absence of Federal Reserve action in the markets to drive the overnight Federal Funds rate higher.

The Fed entered the market yesterday to drain funds but only when the Fund rate reached 16.5 per cent.

Higher short-term rates are also helping sentiment in the stock market and underpinning a strong rally in the bond market which has lasted a fortnight.

Lower bond yields have stimulated the expected surge of new issues

Among the issues priced yesterday was one from Barclays Bank of Britain. The bank's North American subsidiary announced the sale of $100m of 14⅝ per cent notes due in 1991 at a price of 99, offering a yield of 14.82 per cent.

Trade protection Continued from Page 1

certain sectors and in certain countries may be more than a short-term threat to European industrial development which can be handled by devices such as quotas.

Ministers face a dilemma. They want to maintain the UK's traditional adherence to the principles of open trade embraced by the GATT. But they acknowledge that the chances of developing new industries in, for example, information technology would be diminished if Japanese competition went unchecked.

Political pressure for a new Government initiative has been increased by the breakdown of talks between the European Commission and Japan on reducing the EEC's growing trade deficit with Japan.

The Government plans to stimulate discusions within the EEC about the ability of the GATT rules to cope with the concentrated flow of Japanese exports. It is acknowledged, however, that while EEC nations have common difficulties with Japan there is no unity about a long term approach to them.

There are thus no illusions in Whitehall about the possibility of a consensus rapidly emerging, either within the EEC or among the major trading nations, on changes to the GATT. It is accepted that Japan will resist any attempts to change the present rules to its disadvantage.

Weather

UK TODAY

CLOUDY with occasional rain, drier later.

South, Midlands, Channel Is., E. Anglia, S.W. England, S. Wales

Occasional rain. Some fog in south and Midlands. Max. 19C.

North Wales, Northern Ireland

Brighter intervals later. Max. 16C.

North, Borders, Most of Scotland

Some rain in places at first. Max. 17C.

Orkney and Shetland

Occasional showers. Max. 12C.

Outlook: mostly dry. Warm in the south.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	R	25	77	L. Ang.†	C	19	66
Algiers	F	25	77	Luxmbg.	F	15	59
Amsdm.	F	16	61	Luxor		—	—
Athens	S	25	77	Madrid	S	30	86
Bahrain		—	—	Majorca	S	33	91
Barclna.	S	25	77	Malaga	S	24	75
Beirut	S	27	81	Malta	S	30	86
Belfast	C	13	55	M'chstr	C	14	57
Belgrd.	S	28	82	Melbne.		—	—
Berlin	F	20	68	Mx. C†		—	—
Biarritz	C	18	64	Miami†	C	28	82
Bmghm.	F	16	61	Milan	S	26	79
Blackpl.	F	14	57	Montrl.†	S	15	59
Bordx.	F	20	68	Moscow	S	29	84
Boulgn.	F	13	55	Munich	C	17	63
Bristol	F	15	59	Nairobi		—	—
Brussels	C	15	59	Naples	S	26	79
Budpst.	F	27	81	Nassau		—	—
Cairo		—	—	Nwcstl.	F	14	57
Cardiff	C	15	59	N York†	C	21	70
Cas'b'ca	S	25	77	Nice	S	23	73
Cape T.		—	—	Nicosia		—	—
Chicg.†	F	18	64	Oporto	S	21	70
Cologne	F	17	63	Oslo	C	15	59
Cpnhgn.	C	17	63	Paris	F	18	64
Corfu	S	30	86	Perth		—	—
Denver†	F	14	57	Prague	F	19	66
Dublin	C	15	59	Rykjvk.	C	7	45
Dbrvnk.	S	27	81	Rhodes	S	27	81
Ednbgh.	F	15	59	Rio J'o†		—	—
Faro	S	29	84	Rome	S	27	81
Florence	F	29	84	Salzbrg.	C	17	63
Frankft.	F	20	68	S'cisco†	F	12	54
Funchal	F	22	72	S. Mritz.		—	—
Geneva	C	19	66	Singapr.		—	—
Gibrltr.	C	23	73	S'tiago†		—	—
Gl'sg'w	C	12	54	Stckhm.	C	19	66
G'rnsey	F	14	57	Strasbg.	F	22	72
Helsinki	C	16	61	Sydney		—	—
H. Kong		—	—	Tangier	S	25	77
Innsbrk.	F	20	68	Tel Aviv	S	26	79
Invrnss.	R	11	52	Tenerife	F	24	75
I.o.Man		—	—	Tokyo		—	—
Istanbul	F	21	70	T'r'nto†	C	16	61
Jersey	F	16	61	Tunis	F	34	93
Jo'burg		—	—	Valencia	F	26	79
L. Plms.	F	23	73	Venice	F	25	77
Lisbon	F	26	79	Vienna	C	21	70
Locarno	S	25	77	Warsaw	F	24	75
London	C	15	59	Zurich	C	16	61

C—Cloudy. F—Fair. R—Rain. S—Sunny.
† Noon GMT temperatures.

France increases taxes to finance jobs

BY TERRY DODSWORTH IN PARIS

THE FRENCH Government is to raise FFr 6.8bn (£613m) in supplementary taxes this year to finance new spending on jobs, housing and industrial investment.

Announcing the measures yesterday, M Jacques Delors, the Economics and Finance Minister, emphasised that they were aimed at reducing inequalities in French society as well as strengthening the country's industrial structure.

Among the extra taxes are specific items designed to hit high earners and expense-account living, as well as the introduction of a special 17.6 per cent VAT rate for luxury hotels.

With the announcement of these plans, the new French Socialist Administration has given the main lines of its economic strategy for the rest of this year. A week ago, it decided to increase welfare expenditure by FFr 5.3bn, and it is due to present a detailed programme for tackling youth unemployment later this month.

An essential feature of the jobs, housing and investment plans is that they will all be financed from taxes, thus keeping the budget deficit within what the Socialists regard as a reasonable ceiling of a little under 2 per cent of gross national product.

Among the main expenditure projects announced yesterday are:

- The creation of more than 54,000 jobs in central and local government along with measures to stimulate youth employment and job training. These will cost about FFr 2.4bn.
- A council homes programme for 50,000 new flats costing a total of FFr 2.6bn of which FFr 200m will be spent this year.
- A FFr 3bn industrial aid programme to sustain activity and stimulate investment in energy saving and development projects.
- A series of measures designed to help to finance young farmers, increase pensions for farm workers and assist family travel.

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